FINAL BUDGET
1988-89



HD
1695
S383.B82
v.1988/89
REF c.3
LIBRARY

Santa Clara Valley Water District

HD1695383 B821988/89 c.3

SUBMITTED BY: John T. O'Halloran
General Manager

BOARD OF DIRECTORS
Joe Pandit, Chairman

Joe Donohue
Patrick T. Ferraro
Robert W. Gross
Joe Judge
James J. Lenihan
Sig Sanchez

June 7, 1988

Honorable Board of Supervisors
County of Santa Clara
County Government Center, East Wing
70 West Hedding Street
San Jose, CA 95110

Dear Board Members:

The requested Santa Clara Valley Water District Budget for fiscal year 1988-89 is submitted for your consideration. The data presented herein are in the concise and summarized format that has proven beneficial to the review of requested program and project appropriations. It conforms with Proposition 4 as to spending limits. The Flood Control and Water Utility program budgets are consistent with recommendations of the Water Commission, District Advisory Boards and various Committees.

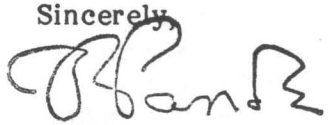
Flood Control planning and construction are still in an accelerated mode using the combined resources of the Benefit Assessment revenues and proceeds from the Certificates of Participation approved last year. Five major flood prevention planning projects are included in this budget. They include Adobe, Permanente and Calabazas Creeks, the Guadalupe River and Coyote Creek. Of these five projects, three are also budgeted for construction improvements - Adobe, the Guadalupe and Coyote. A major construction effort on Matadero Creek is also included in 1988-89, with the planning effort already complete and approved.

The planning program in the Water Utility includes continued study on water treatment and disinfection technology. Water quality studies include quality control on urban runoff management, toxic study and management of underground basins and policy development on groundwater contamination sources. Master planning is a continuous review of water needs, various sources of supply and optimization of the distribution of these sources.

Construction work in the Water Utility, either continuing or under design, includes the Calero Pipeline, completion of the Santa Teresa Water Treatment Plant, preparation of plans and specifications for the Mountain View Distributary and beginning construction of the Milpitas Pipeline.

More detailed information on the requests in this budget will be found in narrative form preceding each section.

Sincerely,



Joe Pandit
Chairman

S1B6591d

GENERAL INFORMATION

To finance its activities, the District has been divided into zones of benefit. Five of these zones support flood control activities. The boundary of each zone is described at the beginning of its Budget Summary. Other zones have been established for District administration and to provide financing for the conservation, distribution, reclamation, hydroelectric generation, and treatment of local and imported water.

Ad valorem tax allocations from the Countywide property tax and benefit assessment revenues finance the expenditures of each Flood Control Zone. The expenditures within each zone for all programs are presented on the program summary sheets within each zone budget.

Budgeting for the Water Utility is accomplished on an enterprise fund basis. Water supply activities are partially financed by an allocation of the Countywide tax to pay for the cost of import facilities and for the recreational benefits derived from the District's reservoirs. The major sources of water supply income are a charge levied on all groundwater extracted within Zone W-2 of the District and from the sale of treated water. Other sources of revenue result from a tax allocation to Zones W-3 and W-4, from the sale of surface-delivered untreated water, and reclaimed water.

The District receives a small Countywide administration tax allocation to purchase fixed assets such as office equipment and to fund general governmental costs required in the overall operation of the District.

BUDGETING PROCESS

The budget is prepared as a cooperative effort by all organizational units and reviewed by a Budget Committee. Responsibility is established for every project in each program. Each work effort is defined by Project Coordinators and each participating organizational unit budgets the items necessary for its successful completion.

Each activity of the District can be related to one of several financial accounting units known as "cost centers". Within each cost center, subgroupings of related activities are determined and called programs; an analysis of the major programs would show the following allocation of activities:

PLANNING — includes all labor and contractual services on projects up to the final design activity which is included in the Construction Program. Planning includes all planned studies, the preparation of hearing plans, and certain special studies.

CONSTRUCTION — includes all labor, use or purchase of equipment acquisition of real property and contractual services which result in the completion of a project, a substantial improvement to the life or value of a physical project or the acquisition of a new physical asset.

MAINTENANCE — includes all work performed on District projects, facilities or equipment which result in maintaining constructed works or equipment in operating condition.

OPERATIONS includes all work performed in the release, diversion, treatment, reclamation or transportation of water in or through channels or pipelines, ongoing application of District ordinances and land ownership management.

ADMINISTRATION includes all labor and contractual services required in the administration of a cost center. The apportionment of insurance premiums is also included in this program. The District intends to develop a self-insured plan by establishing a reasonable retention and insuring excess losses.

MAJOR PROJECTS PROPOSED FOR 1988-89

This section will highlight the major projects proposed for 1988-89. It should be noted, however, that all projects in the Planning and Construction Programs are explained in the respective cost center. Included at the end of each section is a listing of each project showing the amount budgeted for each program.

PLANNING Work within this program provides coordinated studies and planning activities to support the needs of the cost center. Also included in this program is labor to support the Planning Program for surveying, right of way engineering, and technical services. Major planning studies for the 1988-89 fiscal year are:

Cost Center	Project Title	Page No.	Cost
Allocated	Waterways Management	15,20,25,29	$122,556
Northwest	Adobe Creek	15	233,349
Northwest	Permanente Creek	15	260,044
North Central	Calabazas Creek	20	225,933
Central	Guadalupe River	25	424,703
East	Coyote Creek	29	150,000
Raw Water T&D	Evergreen Distribution System	46	136,193
Water Treatment	Study on Use of Ozone	50	249,470
Admin. & General	Financial and Cash Flow Study	57	178,925
Admin. & General	Water Resources Master Planning	58	545,962
Admin. & General	Water Quality Studies	58	684,242

CONSTRUCTION The capital improvements budgets include the following major improvements to be initiated or completed in 1988-89. Details may be reviewed within the individual cost center texts.

Cost Center	Project Title	Page No.	Cost
Allocated	Facility Maintenance Std. Alloc'd.	16,20,25,47, 50,53	$1,298,373
Allocated	Security System	16	265,352
Northwest	Adobe Creek	16	6,830,824
Northwest	Barron Creek	16	205,739
Northwest	Matadero Creek	16	4,329,282
Northwest	Stevens Creek	16	289,556
North Central	Calabazas Creek	20	251,588
North Central	Regnart Creek	20	378,976
North Central	Saratoga Creek	21	296,054
Central	Guadalupe River	26	31,802,503
East	Wrigley Ford	30	1,141,904
East	Coyote Creek	30	11,260,125
South	Uvas - Carnadero Creek	34	1,458,103
South	Upper Llagas Creek Watershed Project	34	5,906,203
South	Lower Llagas Creek Watershed Project	34	1,566,300
Source of Supply	Coyote Dam & Reservoir	44	671,030
Raw Water T&D	Central Pipeline	47	382,435
Raw Water T&D	Almaden Valley Pipeline	47	268,952
Raw Water T&D	Calero Pipeline	47	7,234,707
Raw Water T&D	Control System - Raw Water	47	3,334,157
Water Treatment	Penitencia Water Treatment Plant	51	340,206
Water Treatment	Santa Teresa Water Treatment Plant	51	1,477,341
Water Treatment	Rinconada Water Treatment Plant	51	604,164
Treated Water T&D	Mountain View Distributary	54	1,979,758
Treated Water T&D	Milpitas Pipeline	54	7,263,213
Treated Water T&D	East Pipeline	54	411,836
Treated Water T&D	Rinconada Reservoir	54	348,216
Treated Water T&D	Snell Pipeline	54	308,294

MAINTENANCE & OPERATIONS — Projects within these programs provide for the operations and maintenance of all facilities and equipment for the Flood Control Zones and Water Utility Enterprise.

ADMINISTRATION — Work within this program provides a focal point to capture administrative support including District labor and contractual services which benefit the entire cost center and are not allocable to any individual project. The cost of administering the billing of benefit assessment revenue is allocated to each flood control zone. Included are costs for insurance and a general cost center support project.

OTHER

ALLOCATED — A project, Facility Maintenance Standard-Allocated, was created in 1986-87. It appears as a Construction Program project as well as a Maintenance Program project. In the Construction Program, the purpose is to provide identification of possible land sites to be developed as disposal locations for excess materials resulting from District maintenance and operations activities. This project will continue to provide funds to prepare Engineer's and Environmental Reports and proceed with negotiation of possible site acquisitions. As a Construction project, the costs are allocated to all five flood control zones, the Raw Water T&D, Water Treatment and Treated Water T&D Cost Centers of the Water Utility.

In the Maintenance Program, the project is to be charged for monitoring sedimentation and its impact on District facilities. Erosion and sedimentation data will be collected, analyzed and used to determine what is necessary to mitigate these problems. The costs are allocated equally to the Northwest, North Central and East flood control zones, where the major problems have been experienced.

A District-wide Security System is scheduled to be installed at various District facilities to control and monitor after hours access. Presently the total cost will be distributed to the three water treatment plants, Vasona Pump Station and Coyote Pumping Station. After a Master Plan is approved, the Headquarters and Maintenance Facilities (including the fueling station) will be included in the allocation formula.

DISTRICT SALARIES AND STAFFING

The following presents a comparison of actual salaries for fiscal year 1986-87, those approved in fiscal year 1987-88, and those requested for fiscal year 1988-89.

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Permanent Position Salaries	$11,559,734	14,799,369	15,456,999	16,756,845
Overtime Salaries	362,903	548,190	630,641	679,733
Total	$11,922,637	15,347,559	16,087,640	17,436,578

The following presents a comparison of the District staff for the previous year, current year and that requested for the new fiscal year. Salaries for temporary employees are being administered by employment agencies.

	1986-87	1987-88	New Position Requests	1988-89 Planned Staffing
General Manager	15	15	3	18
Clerk of the Board	14	17	3	20
Finance	31	36	3	39
Water Supply	47	47	2	49
Flood Control	82	88	7	95
Operations and Maintenance	176	195	10	205
Total Authorized Positions	365	398	28 (a)	426 (b)

*Note: This unit for F/Y 1988-89 is being divided into two organizations: (1) Maintenance and (2) Operations and Water Quality.

(a) New Positions requested:

General Manager's Unit

1 Safety Loss Control Analyst for the Personnel Section to provide backup and continuity in the Risk Management program. The position will also be used to provide professional guidance for safety issues and it will be used to provide training for supervisors in complying with various safety requirements.

1 Public Information Associate is budgeted for the information office to provide increased communications and meet current public demand for information about water quality, flood control and water supply.

1 Management Analyst is budgeted for the General Manager's Unit to provide analytical support to the General Manager and Assistant General Manager.

Clerk of the Board's Unit

3 Central Records Clerk I/II's for the files and Records Division to perform all micrographic tasks, update and maintain various filming applications, District library and engineering drawings and also assist in processing incoming and outgoing mail.

Finance Unit

1 General Services Aide for the General Services Division. This position will provide support services in the receiving, messenger service, purchasing and reproduction areas. The need is based on the increase in District activities and personnel plus the expansion of additional facilities which require messenger service. The position has been filled by a temporary person for more than a year.

1 Accounts Payable Clerk I/II for the Finance Division. Expanded District activities have increased the amount of documents that have to be processed to pay contracts, agreements, etc. The additional work load has been performed by a temporary person for more than a year and the need exists to make this position permanent.

1 Accounting Technician for the Finance Division. Inasmuch as the number of District personnel have increased substantially over the past several years and since we are on a variety of work schedules, one person cannot maintain the control over the functions related to payroll processing. Payroll record keeping requirements have been expanded by Federal and State regulatory agencies. Therefore, this position is required to maintain the level of competence associated with these responsibilities.

Water Supply Unit

1 Associate Civil Engineer for the Unit Manager's office to provide the technical support so that the District can increase and centralize its liaison/oversight of the State Water Project and the federal Central Valley Project. The position will analyze and evaluate the issues confronting the District so that we may insure adequate deliveries at reasonable and equitable costs.

1 Data Base Administrator for the Information Systems Division to design and establish computerized data bases for the District. The position requires someone who is particularly familiar with these applications, so that trouble shooting, when required, can be performed with the least amount of interruption possible.

Flood Control Unit

1 Senior Construction Inspector for the Construction Division to coordinate and manage the work load assignments of up to five Resident Construction Inspectors and the contract administration of 8 to 10 projects at any time.

3 Resident Construction Inspectors for the Construction Division to meet the demands of the accelerated flood control construction program and various water utility projects.

1 Construction Inspection Technician for the Construction Division to provide inspection support for the accelerated flood control Construction program.

1 Engineering Technican II for the Flood Control Unit's Design Division to provide design support for the accelerated flood control construction program.

1 Survey Technician I for the Engineering Services Division to provide surveying support for the accelerated flood control construction program.

Operations and Maintenance Unit

1 Chemist I/II for the Operations Division to handle the increased work load created by more stringent regulations and the addition of the Santa Teresa Water Treatment Plant, Snell Pipeline and San Luis/Anderson Reservoir raw water sources.

1 Maintenance Records Clerk I/II for the Maintenance Group to perform the data entry and retrieval functions of the Facilities Management System and also to perform other clerical functions in support of the Plant Maintenance Program.

1 Maintenance Planner I/II for the Maintenance Support Division to continue developing and maintaining the planning element of the Work Management System. It will be used also to determine deficiencies on District facilities, coordinate inter-agency cooperative projects and other related planning functions necessary to insure that old and new facilities are being properly maintained.

1 Senior Storekeeper for the Maintenance Services Division to perform the storekeeping functions of the Plant Maintenance Program at the three water treatment plants and on the San Felipe projects. The position will be responsible for maintaining a properly run inventory system so that critical equipment parts are available as needed.

1 Equipment Mechanic for the Maintenance Services Division to meet the work load of maintaining the District's mobile support equipment. A temporary person has been used for nearly two years to perform preventative maintenance and repair work.

1 Senior Grounds Maintenance Worker for the Facility/Grounds Maintenance Division to direct the work crews and contract service work.

3 Grounds/Maintenance Worker I/II's for the Facility/Grounds Maintenance Division to perform the landscape and irrigation work on existing District facilities plus five new projects which become our responsibility in 1988. This group will be able to perform part of the grounds maintenance - employment agency help will be used to perform the remainder of this work.

1 Plant Equipment Mechanic for the Plant Maintenance Division to provide specialized skills in heating, ventilating and air conditioning maintenance activities. The addition of the San Felipe project, the Anderson Hydro Plant and the Santa Teresa Plant, necessitate a need for this position.

28

(b) 398 (+) 28 requested = 426.

SANTA CLARA VALLEY WATER DISTRICT
COMPARATIVE BUDGET

REVENUE

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Balance Beginning of Year	$176,329,276	97,993,148	108,468,000	116,177,982
Revenue Sources				
Property Taxes				
Local Secured	20,640,964	20,851,907	22,324,476	22,360,707
Local Unsecured	2,294,640	2,514,192	2,400,386	2,652,093
Delinquent	1,476,187	1,138,098	2,028,469	2,028,469
State Subventions	1,557,370	1,137,584	1,510,368	424,087
Interest	13,443,204	9,169,521	11,980,950	11,980,950
Nonprofit Corporation		15,500,000	7,000,000	7,000,000
Tranfers			8,790,806	
Agreements & Advances				
District Loan	3,868,672	1,000,000	1,070,000	1,255,000
Property Rentals	400,255	571,471	386,500	386,500
Dept. of Water Resources Reimb.	2,033,692	2,000,000	8,790,806	8,790,806
San Benito County Water District		187,588	230,940	230,940
Loma Prieta Resource Conservation District	247			
Gavilan Water Conservation District	25,380	28,118		
E.P.A. - Toxic Spills	45,399	141,191		
City of Gilroy	46,894	49,218	49,000	49,000
San Jose Water Co.		884,000	15,000	15,000
Groundwater Charges	15,738,073	17,055,566	15,330,231	15,330,231
Surface Water Charges	132,208	130,000	130,000	130,000
Treated Water Charges	14,336,121	14,938,993	15,216,462	15,216,462
Reclaimed Water Charges	1,305	2,000	2,000	
State Water Resources Control Board			788,800	788,800
Sales of Assets	1,074,444	22,000	37,100	37,100
Assessment	7,842,184	15,638,144	16,454,971	16,454,971
Bond Sales	402,628			
Other	450,780	198,800	157,500	157,500
Total Revenue	85,810,647	103,158,391	114,694,765	105,288,616
Inter-Fund Adjustments				
Cost Center Reimbursement		1,717,755	5,255,036	5,255,036
Equipment W. C. F.	1,110,396	1,237,718	1,469,474	1,461,807
Insurance Trust Fund		1,428,600	1,428,600	1,428,600
Total	$263,250,319	205,535,612	231,315,875	229,612,041

SANTA CLARA VALLEY WATER DISTRICT
COMPARATIVE BUDGET

OUTLAY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
District Labor & Overhead	$ 17,056,361	24,704,967	30,243,046	29,880,303
Contract Services	17,875,102	95,841,358	97,594,298	97,767,592
Land & Structures	56,204,025	5,492,126	13,586,120	13,593,320
Equipment	2,254,059	2,267,189	3,152,212	3,152,212
Subtotal	93,389,547	128,305,640	144,575,676	144,393,427
Loans				
District	1,373,285	1,000,000	10,045,806	1,255,000
Repayment - Short Term Notes		3,000,000	1,000,000	1,000,000
Interest - Short Term Notes		157,500	60,145	60,145
Other	60,021	62,500	62,500	62,500
Repayment - Cert. of Part'n., Prin.			320,000	320,000
Repayment - Cert. of Part'n. Int.			1,565,688	1,565,688
Debt Service	12,902,036	12,012,134	12,025,895	12,025,895
Inter-Fund Adjustment	1,312,300	1,237,602	1,468,544	1,460,877
Total Expenditures	109,037,189	145,775,376	171,124,254	162,143,532
Reserve Appropriations		59,760,236	60,191,621	67,468,509
Total Appropriated	109,037,189	205,535,612	231,315,875	229,612,041
Balance End of Year	154,213,130			
Total	$263,250,319	205,535,612	231,315,875	229,612,041

SANTA CLARA VALLEY WATER DISTRICT
DETAIL OF BUDGET 1988-89

REVENUE SUMMARY

	FLOOD CONTROL ZONES					WATER		SERVICE	
	Northwest	No. Central	Central	East	South	UTILITY	DISTRICT	FUNDS	TOTAL
Balance Beginning of Year	$ 4,667,325	1,342,258	26,445,145	8,179,728	5,608,918	64,023,122	2,438,441	3,473,045	116,177,982
Revenue Sources									
Property Taxes									
Local Secured	1,563,722	2,147,422	2,265,213	2,318,681	365,089	12,447,067	1,253,513		22,360,707
Local Unsecured	233,069	319,677	398,702	385,540	58,141	1,060,282	196,682		2,652,093
Delinquent	114,756	162,869	200,792	198,183	28,174	1,224,582	99,113		2,028,469
State Subventions	41,980	57,573	71,807	69,440	10,473	137,387	35,427		424,087
Interest	415,250	169,600	1,606,100	572,200	315,000	8,511,700	223,100	168,000	11,980,950
Nonprofit Corporation	7,000,000								7,000,000
Agreements & Advances:									
Advance from District/DWR					8,790,806				8,790,806
Property Rental	175,000	18,000	180,000	12,000	1,500				386,500
San Jose Water Company						15,000			15,000
San Benito Conservation Water Dist.						230,940			230,940
State Water Resources Control Board						788,800			788,800
City of Gilroy						49,000			49,000
District Loan							1,255,000		1,255,000
Groundwater Charges						15,330,231			15,330,231
Surface Water Charges						130,000			130,000
Treated Water Charges						15,216,462			15,216,462
Sales of Assets								37,100	37,100
Assessment	4,089,174	2,239,313	5,130,603	3,828,708	1,167,173				16,454,971
Miscellaneous	25,000	4,000	20,000	3,000	2,500	18,000	35,000	50,000	157,500
Total Revenue	13,657,951	5,118,454	9,873,217	7,387,752	10,738,856	55,159,451	3,097,835	255,100	105,288,616
Inter-Fund Adjustment:									
Cost Center Reimbursement							5,255,036		5,255,036
Equipment Working Capital Fund								1,461,807	1,461,807
Insurance Trust Fund								1,428,600	1,428,600
Total	$18,325,276	6,460,712	36,318,362	15,567,480	16,347,774	119,182,573	10,791,312	6,618,552	229,612,041

SANTA CLARA VALLEY WATER DISTRICT
DETAIL OF BUDGET 1988-89

OUTLAY SUMMARY

	FLOOD CONTROL ZONES					WATER		SERVICE	
	Northwest	No. Central	Central	East	South	UTILITY	DISTRICT	FUNDS	TOTAL
District Labor & Overhead	$ 2,903,362	1,683,117	1,948,306	2,362,166	1,457,868	17,934,252	840,905	750,327	29,880,303
Contract Services	10,533,500	1,505,256	24,878,308	10,899,088	4,369,845	42,581,835	750,910	2,248,850	97,767,592
Land & Structures	399,320	122,820	6,430,820	1,125,820	4,256,645	802,575	455,320		13,593,320
Equipment						1,237,250	1,561,925	353,037	3,152,212
Subtotal	13,836,182	3,311,193	33,257,434	14,387,074	10,084,358	62,555,912	3,609,060	3,352,214	144,393,427
Loans									
U.S.B.R.						62,500			62,500
District		1,070,000			185,000				1,255,000
Repayment - Cert. of Part'n.	821,217				1,064,471				1,885,688
Repayment - Short Term Note					1,060,145				1,060,145
Debt Service	94,942	745,006				11,185,947			12,025,895
Inter-Fund Adjustment	131,576	150,405	146,862	179,987	77,822	639,796	69,902	64,527	1,460,877
Total Expenditures	14,883,917	5,276,604	33,404,296	14,567,061	12,471,796	74,444,155	3,678,962	3,416,741	162,143,532
Provisions For Reserves	3,441,359	1,184,108	2,914,066	1,000,419	3,875,978	44,738,418	7,112,350	3,201,811	67,468,509
Total	$18,325,276	6,460,712	36,318,362	15,567,480	16,347,774	119,182,573	10,791,312	6,618,552	229,612,041

SANTA CLARA VALLEY WATER DISTRICT
DETAIL OF BUDGET 1988-89

PROVISIONS FOR RESERVES

	FLOOD CONTROL ZONES					WATER		SERVICE	
	Northwest	No. Central	Central	East	South	UTILITY	DISTRICT	FUNDS	TOTAL
Self-Insurance Appropriation	$							2,526,400	2,526,400
Replacement Appropriation						3,500,000		615,411	4,115,411
Major Facilities Appropriation	3,431,359	1,174,108	2,814,066	990,419	3,874,978				12,284,930
In-County Distribution Sys. Approp.						40,238,418			40,238,418
Inter-Fund Loan Appropriation							7,012,350		7,012,350
Contingency Appropriation	10,000	10,000	100,000	10,000	1,000	1,000,000	100,000	60,000	1,291,000
	$3,441,359	1,184,108	2,914,066	1,000,419	3,875,978	44,738,418	7,112,350	3,201,811	67,468,509

STATUS OF INDEBTEDNESS

	Total Amount Sold	Date of Issue	Average Interest Rate	Outstanding as of 6/30/88	1988-89 Redemption Principal	1988-89 Redemption Interest	Total
Northwest Zone							
Series B	2,304,000	7/1/58	3.330%	94,000	94,000	942	94,942
North Central Zone							
Series A	4,000,000	1/1/64	3.383%	1,240,000	190,000	32,695	222,695
Series B	5,000,000	7/1/65	3.320%	1,750,000	220,000	47,718	267,718
Series C	3,750,000	8/1/73	5.492%	2,690,000	110,000	144,593	254,593
	12,750,000			5,680,000	520,000	225,006	745,006
Water Utility							
Series A	15,500,000	1/1/64	3.463%	7,700,000	420,000	271,364	691,364
Series B	14,200,000	6/1/66	3.885%	9,690,000	345,000	367,480	712,480
Series C	3,500,000	8/1/68	4.834%	2,560,000	75,000	121,677	196,677
Series D	8,850,000	3/1/72	5.285%	7,245,000	155,000	384,576	539,576
	42,050,000			27,195,000	995,000	1,145,097	2,140,097
1986 Refunding	94,935,000	8/22/86	6.803%	88,300,000	3,340,000	5,594,900	8,934,900
So. Santa Clara Valley Water Cons. Distict							
1st. Issue	1,556,000	7/01/53	3.960%	161,000	40,000	5,754	45,754
2nd. Issue	1,992,000	4/01/55	3.187%	397,000	55,000	10,196	65,196
	3,548,000			558,000	95,000	15,950	110,950
1988 - Cert. of Part'n.	21,550,000	3/01/88	7.234%	21,550,000	320,000	1,565,688	1,885,688
Combined Total	177,137,000			143,377,000	5,364,000	8,547,583	13,911,583

FLOOD CONTROL ZONES

NORTHWEST

NORTH CENTRAL

CENTRAL

EAST

SOUTH



NORTHWEST ZONE



Northwest Zone: February, 1986

REVENUE SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Balance Beginning of Year	$4,078,186	2,280,730	2,400,000	4,667,325
Revenue Sources				
Property Taxes	1,679,669	1,759,427	1,978,681	1,953,527
Interest	184,215	159,651	415,250	415,250
Nonprofit Corporation	1,700,000	10,000,000	7,000,000	7,000,000
Agreements and Advances	182,083	316,322		175,000
Assessment	1,213,708	3,875,994	4,089,174	4,089,174
Other	31,107	2,500	200,000	25,000
Total Revenue Sources	4,990,782	16,113,894	13,683,105	13,657,951
Total Available	$9,068,968	18,394,624	16,083,105	18,325,276

OUTLAY SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Planning	$ 261,508	416,335	519,249	519,249
Construction	3,416,965	12,705,370	11,827,345	11,826,093
Maintenance	702,428	1,176,542	1,217,778	1,208,755
Operations	91,890	135,009	148,493	148,376
Administration	242,099	254,041	265,285	265,285
Total Program Outlay	4,714,890	14,687,297	13,978,150	13,967,758
Debt Service	200,584	194,570	94,942	94,942
Repayment - Short Term Note		1,684,000		
Repayment - Cert. of Part'n.			821,217	821,217
Major Facility Appropriation		1,818,757	1,178,796	3,431,359
Contingency Appropriation		10,000	10,000	10,000
Total Appropriated	4,915,474	18,394,624	16,083,105	18,325,276
Balance End of Year	4,153,494			
Total	$9,068,968	18,394,624	16,083,105	18,325,276

BACKGROUND INFORMATION

The Northwest Zone is defined by geographic boundaries encompassing the tributaries and watersheds of San Francisquito Creek, Matadero Creek, Barron Creek, Adobe Creek, Stevens Creek and Permanente Creek. Also included in this zone is Stevens Creek Reservoir. The geographic area includes the Cities of Palo Alto, Los Altos, Los Altos Hills and Mountain View and portions of Cupertino and Sunnyvale.

The funds budgeted in this program are to provide for the continuation of coordination with the Corps of Engineers on the San Francisco Bay Shoreline Planning Study, continuation of the Districtwide Waterways Management Modeling Study and planning studies for Adobe and Permanente Creeks. Planning projects are:

San Francisco Bay Shoreline Study $1,348

This study will provide for liaison with the Corps of Engineers' study to examine various alternatives for providing protection to the San Francisco Bay shoreline from saltwater flooding. 33 percent of the total cost of this project is allocated to each of the Northwest, North Central and Central Flood Control Zone Cost Centers.

Waterways Management Model $24,508

This scope provides for completing the adapting of the waterways management model to utilize features of the recently acquired HP3000 computer system and for maintaining the various flood control facility information storage systems.

Adobe Creek $233,349

This project provides for continuing a planning study on Adobe Creek from El Camino Real upstream to El Monte Avenue.

Permanente Creek $260,044

This scope provides for continuation of a planning study on Permanente Diversion from Stevens Creek to Permanente Creek and for acting on the findings presented in the U.S. Geological Survey sedimentation study of the Permanente Watershed.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement to the life or value of existing physical assets. The budgeted amount of $11,827,345 includes the following projects:

Facility Maintenance Standard-Allocated — $155,795

Please see explanation on page 4.

Adobe Creek — $6,830,824

This project provides for completion of construction of flood control measures from the downstream end of Middlefield Road to the upstream end of Charleston Road; it also provides for the preparation of plans, specifications and beginning construction of flood control measures from the upstream end of Charleston Road to El Camino Real.

Barron Creek — $205,739

This project provides for completion of flood control measures between Adobe Creek and Louis Road.

Matadero Creek — $4,329,282

This project provides for three phases of work. First is the completion of construction of flood control measures between Palo Alto Flood Basin and Middlefield Road. Next is the preparation of plans, specifications and award for construction of flood control measures between Middleield Road and Park Boulevard. Last is the preliminary design activities including coordination with the City of Palo Alto and consultant for the flood control work between Park Boulevard and El Camino Real.

Stevens Creek — $289,556

This project provides funds to purchase and manage properties subject to potential bank failure along Stevens Creek near Diericx Drive in Mountain View.

Palo Alto Flood Basin — $14,897

This project provides for continuation of the two year maintenance of revegetation measures and for continuation of floodbasin model calibration.

Maintenance Program

Facility Maintenance Standard-Allocated $6,074

Please see explanation on page 4.

Maintenance - General $1,202,681

Funds budgeted in this project provide for routine maintenance requirements within the Cost Center.

Operations Program

This program provides funds for ongoing land use review and land ownership management. The budgeted amount of $148,376 includes the following projects:

Land Use Review $118,711

This provides funds for the application of Ordinance 83-2 to assist other agencies in land use decisions.

Technical Services $29,665

Funds will be used for investigation of complaints, ordinance violations and field identification of District lands and land rights for locations which are not a part of dedication proceedings or active budgeted projects.

Administration Program

Benefit Assessment $18,502

The cost of annual review and production of the flood control benefit assessments are budgeted in this program. These costs are allocated to the five flood control zones in proportion to each zone's 1987-88 assessment.

Risk Management $159,600

This project includes the allocated portion of this cost center's contribution to the District's Risk Management program.

This program also includes the Cost Center Support and Ordinance Administration projects which total $87,183.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM					Project Totals
	Planning	Construction	Maintenance	Operations	Administration	
Land Use Review	$			118,711		118,711
Technical Services				29,665		29,665
Benefit Assessment					18,502	18,502
San Francisco Bay Shoreline Study	1,348					1,348
Waterways Management Model	24,508					24,508
Risk Management					159,600	159,600
Cost Center Support Project					68,098	68,098
Ordinance Administration					19,085	19,085
Facility Maintenance Std. Alloc'd		155,795	6,074			161,869
Adobe Creek	233,349	6,830,824				7,064,173
Barron Creek		205,739				205,739
Matadero Creek		4,329,282				4,329,282
Permanente Creek	260,044					260,044
Stevens Creek		289,556				289,556
Palo Alto Flood Basin		14,897				14,897
Northwest Zone - General			1,202,681			1,202,681
Total	$519,249	11,826,093	1,208,755	148,376	265,285	13,967,758



NORTH CENTRAL ZONE



North Central Zone: February, 1986

REVENUE SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Balance Beginning of Year	$3,930,579	1,735,718	1,218,000	1,342,258
Revenue Sources				
Property Taxes	2,318,891	2,472,274	2,813,184	2,687,541
Interest	161,885	121,500	169,600	169,600
Agreements and Advances	1,011,854	7,277		18,000
Assessment	2,075,785	2,163,587	2,239,313	2,239,313
Other	60,434	1,500	22,000	4,000
Total Revenue Sources	5,628,849	4,766,138	5,244,097	5,118,454
Total Available	$9,559,428	6,501,856	6,462,097	6,460,712

OUTLAY SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Planning	$ 219,683	267,179	251,789	251,789
Construction	2,491,024	996,754	845,665	1,142,413
Maintenance	1,587,732	1,485,622	1,564,140	1,555,117
Operations	116,735	159,608	170,635	170,518
Administration	296,634	345,846	341,761	341,761
Total Program Outlay	4,711,808	3,255,009	3,173,990	3,461,598
Debt Service	736,251	741,202	745,006	745,006
Repayment - District Loan		1,000,000	1,070,000	1,070,000
Major Facility Appropriation		1,495,645	1,463,101	1,174,108
Contingency Appropriation		10,000	10,000	10,000
Total Appropriated	5,448,059	6,501,856	6,462,097	6,460,712
Balance End of Year	4,111,369			
Total	$9,559,428	6,501,856	6,462,097	6,460,712

BACKGROUND INFORMATION

The North Central Zone is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe Slough, Sunnyvale West Outfall, Sunnyvale East Outfall, Calabazas Creek, San Tomas Aquino Creek and Saratoga Creek. The geographic area includes the City of Saratoga and portions of the Cities of Sunnyvale, Santa Clara, Campbell, Cupertino, Monte Sereno, San Jose and the Town of Los Gatos.

Planning Program

The funds budgeted in this program provide are to provide for the continuation of coordination with the Corps of Engineers on the San Francisco Bay Shoreline Study, continuation of the Districtwide Waterways Management Modeling Study and a planning study for Calabazas Creek. Planning projects are:

San Francisco Bay Shoreline Study $1,348

This study will provide for liaison with a Corps of Engineers' study to examine various alternatives for providing protection to the San Francisco Bay shoreline from saltwater flooding. Thirty-three percent of the total cost of this project is allocated to each of the Northwest, North Central, and Central Flood Control Zone cost centers.

Waterways Management Model $24,508

This scope provides for completing the adapting of the waterways management model to utilize features of the recently acquired HP3000 computer system and for maintaining the various flood control facility information storage systems.

Calabazas Creek $225,933

This scope provides for the completion of a planning study and environmental document on Calabazas Creek from Guadalupe Slough upstream to Miller Avenue and it also provides for the continuation of a planning study from Miller Avenue to Wardell Avenue.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement to the life or value of existing physical assets. The budgeted amount of $1,142,413 includes the following projects:

Facility Maintenance Standard - Allocated $155,795

Please see explanation on page 4.

Calabazas Creek $251,588

This project includes funds to begin preparation of plans and specifications for flood control improvements on the reach between Lochinvar Avenue and Homestead Road.

Regnart Creek $378,976

This project provides funds for the completion of plans and specifications and beginning construction of flood control measures between Stelling Road and S.P.R.R.

San Tomas Aquino Creek $60,000

This project provides funds for a cost sharing agreement with the Cities of Saratoga and Monte Sereno to replace two Quito Road bridges.

Saratoga Creek $296,054

This project provides for continuation of three year maintenance period by the contractor of revegetation measures between Cabrillo and Benton Avenue and also between Benton Avenue and Homestead Road. It also provides funds for completion of flood control measures between Homestead Road and Pruneridge Avenue and for preparation of plans and specifications for revegetation measures in this reach.

Maintenance Program

Facility Maintenance Standard - Allocated $6,074

Please see explanation on page 4.

Maintenance - General $1,549,043

Funds budgeted in this project provide for routine maintenance requirements within the Cost Center.

Operations Program

This program provides funds for ongoing land use review and land ownership management. The budget amount of $170,518 includes the following projects:

Land Use Review $134,131

This provides funds for the application of Ordinance 83-2 to assist other agencies in land use decisions.

Technical Services $36,387

Funds will be used for investigation of complaints, ordinance violations and field identification of District lands and land rights for locations which are not part of dedication proceedings or active budgeted projects.

Administration Program

Benefit Assessment $10,358

The cost of annual review and production of the flood control benefit assessments are budgeted in this program. These costs are allocated to the five flood control zones in proportion to each zone's 1987-88 assessment.

Risk Management $223,350

This project includes the allocated portion of this cost center's contribution to the District's Risk Management program.

This program also includes the Cost Center Support and Ordinance Administration projects which total $108,053.

Project	PROGRAM					Project Totals
	Planning	Construc-tion	Maintenance	Operations	Adminis-tration	
Land Use Review	$			134,131		134,131
Technical Services				36,387		36,387
Benefit Assessment					10,358	10,358
San Francisco Bay Shoreline Study	1,348					1,348
Waterways Management Model	24,508					24,508
Risk Management					223,350	223,350
Cost Center Support Project					56,257	56,257
Ordinance Construction					51,796	51,796
Facility Maintenance Std. Alloc'd		155,795	6,074			161,869
Calabazas Creek	225,933	251,588				477,521
Regnart Creek		378,976				378,976
San Tomas Aquino Creek		60,000				60,000
Saratoga Creek		296,054				296,054
North Central Zone - General			1,549,043			1,549,043
Total	$251,789	1,142,413	1,555,117	170,518	341,761	3,461,598



CENTRAL ZONE



Central Zone: February, 1986

REVENUE SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Balance Beginning of Year	$25,633,010	20,911,316	24,700,000	26,445,145
Revenue Sources				
Property Taxes	2,402,660	2,524,183	3,128,125	2,936,514
Interest	1,921,424	1,463,792	1,606,100	1,606,100
Agreements and Advances	201,706	232,941		180,000
Assessment	2,360,324	4,863,131	5,130,603	5,130,603
Other	99,187	9,500	200,000	20,000
Total Revenue Sources	6,985,301	9,093,547	10,064,828	9,873,217
Total Available	$32,618,311	30,004,863	34,764,828	36,318,362

OUTLAY SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Planning	$ 207,896	447,262	501,884	501,884
Construction	7,390,087	24,535,058	31,189,078	30,987,826
Maintenance	2,086,639	1,292,390	1,414,228	1,405,205
Operations	150,094	205,998	205,191	205,074
Administration	247,312	309,156	304,307	304,307
Total Program Outlay	10,082,028	26,789,864	33,614,688	33,404,296
Major Facility Appropriation		3,114,999	1,050,140	2,814,066
Contingency Appropriation		100,000	100,000	100,000
Total Appropriated	10,082,028	30,004,863	34,764,828	36,318,362
Balance End of Year	22,536,283			
Total	$32,618,311	30,004,863	34,764,828	36,318,362

BACKGROUND INFORMATION

The Central Zone is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe River. The major tributaries are Los Gatos Creek, Canoas Creek, Ross Creek, Guadalupe Creek and Alamitos Creek. Also included in this zone are Calero, Almaden, Guadalupe, Lexington and Vasona Reservoirs. The geographic area includes portions of the Cities of Santa Clara, San Jose, Campbell, Monte Sereno and the Town of Los Gatos.

Planning Program

The funds budgeted in this program are to provide for the continuation of coordination with the Corps of Engineers on the San Francisco Bay Shoreline Planning Study, continuation of the Districtwide Waterways Management Modeling Study and planning studies for Alamitos Creek and Guadalupe River. Planning Projects are:

San Francisco Bay Shoreline Study $1,396

This study will provide for liaison with the Corps of Engineers' study to examine various alternatives for providing protection to the San Francisco Bay shoreline from saltwater flooding. Thirty-four percent of the total cost of this project is allocated to each of the Northwest, North Central and Central Flood Control Zone Cost Centers.

Waterways Management Model $24,508

This scope provides for completing the adapting of the waterways management model to utilize features of the recently acquired HP3000 computer system and for maintaining the various flood control facility information storage systems.

Alamitos Creek $51,277

This scope provides for the preparation of an engineer's report and an environmental document necessary to raise levees on Alamitos Creek from Almaden Lake Park to Camden Avenue.

Guadalupe River $424,703

This scope provides funds for completion of a planning study on Guadalupe River from Highway 101 to Highway 880 and from Highway 280 upstream to Blossom Hill Road.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement to the life or value of existing physical assets. The budgeted amount of $30,987,826 includes the following projects:

Facility Maintenance Standard - Allocated $155,795

Please see explanation on page 4.

Alamitos Creek $29,528

This project provides funds for the completion of acquisition of some maintenance easements on the creek between Guadalupe River and Camden Avenue.

Project	PROGRAM					Project Totals
	Planning	Construc-tion	Maintenance	Operations	Adminis-tration	
Land Use Review	$			136,818		136,818
Technical Services				68,256		68,256
Benefit Assessment					22,944	22,944
San Francisco Bay Shoreline Study	1,396					1,396
Waterways Management Model	24,508					24,508
Risk Management					143,625	143,625
Cost Center Support Project					67,613	67,613
Ordinance Construction					70,125	70,125
Facility Maintenance Std. Alloc'd		155,795				155,795
Alamitos Creek	51,277	29,528				80,805
Guadalupe River	424,703	30,802,503				31,227,206
Central Zone - General			1,405,205			1,405,205
Total	$501,884	30,987,826	1,405,205	205,074	304,307	33,404,296



EAST ZONE



REVENUE SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Balance Beginning of Year	$ 5,546,220	6,847,137	8,100,000	8,179,728
Revenue Sources				
Property Taxes	2,328,296	2,482,390	3,062,946	2,971,844
Interest	426,065	479,300	572,200	572,200
Agreements and Advances		6,206		12,000
Assessment	1,817,921	3,629,107	3,828,708	3,828,708
Other	25,732	2,800	15,000	3,000
Total Revenue Sources	4,598,014	6,599,803	7,478,854	7,387,752
Total Available	$10,144,234	13,446,940	15,578,854	15,567,480

OUTLAY SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Planning	$ 35,428	138,729	383,791	231,531
Construction	319,283	10,823,517	12,662,438	12,661,186
Maintenance	1,023,949	1,160,622	1,234,843	1,225,820
Operations	120,793	206,921	195,039	194,922
Administration	202,973	259,140	253,602	253,602
Total Program Outlay	1,702,426	12,588,929	14,729,713	14,567,061
Major Facility Appropriation		848,011	839,141	990,419
Contingency Appropriation		10,000	10,000	10,000
Total Appropriated	1,702,426	13,446,940	15,578,854	15,567,480
Balance End of Year	8,441,808			
Total	$10,144,234	13,446,940	15,578,854	15,567,480

BACKGROUND INFORMATION

The East Zone is defined by geographic boundaries encompassing the tributaries and watersheds of Coyote Creek. The major tributaries are Lower Penitencia Creek, Scott Creek, Berryessa Creek, Upper Penitencia Creek, Silver Creek, Thompson Creek, Fisher Creek and Packwood Creek. Also included in this zone are Anderson and Coyote Reservoirs. The geographic area includes the City of Milpitas and portions of the Cities of San Jose and Morgan Hill.

The funds budgeted in this program are to provide for continuation of coordination with the Corps of Engineers on the San Francisco Bay Shoreline Planning Study, continuation of the Districtwide Waterways Management Modeling Study and planning studies for Wrigley-Ford, Berryessa and Coyote Creeks, plus the Penitencia Creek Upper. Planning projects are:

Waterways Management Model $24,508

This scope provides for completing the adapting of the waterways management model to utilize features of the recently acquired HP3000 computer system and for maintaining the various flood control facility information storage systems.

Wrigley Ford Creek $47,061

This scope provides for the completion of an Engineer's report on the creek from Berryessa Creek to the limit of jurisdiction at the Western Pacific Railroad.

Berryessa Creek $2,462

This scope provides funds for District support for the Corps of Engineers study on this creek.

Coyote Creek $150,000

This scope provides funds for District support for the Corps of Engineers study on this creek. It also provides funds to initiate a planning study on the creek from Montague Expressway to the confluence of Silver Creek - Lower.

Penitencia Creek - Upper $7,500

This scope provides funds for the coordination and liaison work on the proposed Upper Penitnecia Creek watershed project (SCS's PL 566 program).

Project	PROGRAM					Project Totals
	Planning	Construction	Maintenance	Operations	Administration	
Land Use Review	$			140,971		140,971
Technical Services				53,951		53,951
Benefit Assessment					17,018	17,018
Waterways Management Model	24,508					24,508
Risk Management					127,650	127,650
Cost Center Support Project					47,269	47,269
Ordinance Construction					61,665	61,665
Facility Maintenance Std. Alloc'd		155,795	6,279			162,074
Wrigley-Ford Creek	47,061	1,141,904				1,188,965
Berryessa Creek	2,462					2,462
Coyote Creek	150,000	11,260,125				11,410,125
Silver Creek		11,124				11,124
Penitencia Creek - Upper	7,500					7,500
Thompson Creek		92,238				92,238
East Zone - General			1,219,541			1,219,541
Total	$231,531	12,661,186	1,225,820	194,922	253,602	14,567,061



SOUTH ZONE



South Zone: February, 1986

REVENUE SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Balance Beginning of Year	$ 838,797	1,400,000	3,050,000	5,608,918
Revenue Sources				
Property Taxes	448,580	385,199	464,274	461,877
Interest	12,442	98,000	315,000	315,000
Loan Other	1,300,000	5,500,000		
Agreements and Advances	2,496,917	8,725	8,790,806	8,792,306
Assessment	374,446	1,106,325	1,167,173	1,167,173
Other	26,648	2,500	4,000	2,500
Total Revenue Sources	4,659,033	7,100,749	10,741,253	10,738,856
Total Available	$5,497,830	8,500,749	13,791,253	16,347,774

OUTLAY SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Planning	$ 34,569	85,330	24,524	24,524
Construction	2,829,449	5,364,601	9,061,595	9,060,869
Maintenance	532,866	632,848	750,574	729,368
Operations	82,246	123,991	141,549	140,150
Administration	128,784	204,103	218,811	207,269
Total Program Outlay	3,607,914	6,410,873	10,197,053	10,162,180
Repayment - Short Term Note		1,473,500	1,060,145	1,060,145
Repayment - Cert. of Part'n.			1,064,471	1,064,471
District Loan - Unreimbursed Costs			185,000	185,000
Major Facility Appropriation		615,376	1,283,584	3,874,978
Contingency Appropriation		1,000	1,000	1,000
Total Appropriated	3,607,914	8,500,749	13,791,253	16,347,774
Balance End of Year	1,889,916			
Total	$5,497,830	8,500,749	13,791,253	16,347,774

BACKGROUND INFORMATION

The South Zone is defined by geographic boundaries encompassing the tributaries and watersheds of the Pajaro River in Santa Clara County. The major tributaries are Little Llagas Creek, Llagas Creek, West Branch of the Llagas Creek, Uvas-Carnadero Creek, Pescadero Creek and Pacheco Creek. The zone includes the City of Gilroy and portions of the Cities of San Jose and Morgan Hill.

Planning Program

The funds budgeted in this program are to provide for continuation of the District-wide Waterways Management Modeling Study. Planning projects are:

Waterways Management Model $24,524

This scope provides for completing the adapting of the waterways management model to utilize features of the recently acquired HP3000 computer system and for maintaining the various flood control facility information storage systems.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement to the life or value of existing physical assets. The budgeted amount of $9,060,869 includes the following projects:

Facility Maintenance Standard - Allocated $90,875

Please see explanation on page 4.

Uvas-Carnadero Creek $1,458,103

This project is for completion of the Thomas Road Bridge construction, completion of right of way acquisition, raising Miller Avenue and utility relocation on the U. S. Army Corps of Engineers project between Santa Teresa Boulevard and 1,000 feet downstream of Thomas Road. It also includes costs for completion of acquiring flowage and maintenance easements downstream of the Corps project limits.

Tennant Creek $39,388

This project provides funds for design of the interim improvements on the creek.

Upper Llagas Creek Watershed Project $5,906,203

This project provides funds for District expenses for the right of way acquisition, construction of bridges and relocation of utilities on the project. Nearly 100% of the costs will be reimbursed from the State Department of Water Resources.

Lower Llagas Creek Watershed Project $1,566,300

This project provides funds for District expenses relative to right of way acquisition, construction of bridges and relocation of utilities on the project. Nearly 100% of the costs will be reimbursed from the State Department of Water Resources.

Maintenance Program

Public Law 566 (Upper) $39,722

Funds budgeted in this project will be used for maintenance of fire prevention measures in the Upper Llagas Creek Watershed area, for which the District is contractually committed.

Maintenance - General $689,646

Funds budgeted in this project provide for routine maintenance requirements within the Cost Center.

Operations Program

This program provides funds for ongoing land use review and land ownership management. The budgeted amount of $140,150 includes the following projects:

Land Use Review $91,810

This provides funds for the application of Ordinance 83-2 to assist other agencies in land use decisions.

Technical Services $48,340

Funds will be used for investigation of complaints, ordinance violations and field identification of District lands and land rights for locations which are not part of dedication proceedings or active budgeted projects.

Administration Program

Benefit Assessment $5,207

The cost of annual review and production of the flood control benefit assessments are budgeted in this program. These costs are allocated to the five flood control zones in proportion to each zone's 1987-88 assessment.

Risk Management $95,775

This project includes the allocated portion of this cost center's contribution to the District's Risk Management program.

This program also includes Cost Center Support and Ordinance Administration projects which total $106,287.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM					Project Totals
	Planning	Construction	Maintenance	Operations	Administration	
Land Use Review	$			91,810		91,810
Technical Services				48,340		48,340
Benefit Assessment					5,207	5,207
Waterways Management Model	24,524					24,524
Risk Management					95,775	95,775
Cost Center Support Project					77,636	77,636
Ordinance Construction					28,651	28,651
Facility Maint. Std. Alloc.		90,875				90,875
Uvas-Carnadero Creek		1,458,103				1,458,103
Tennant Creek		39,388				39,388
Upper Llagas Ck Watershed Project		5,906,203				5,906,203
Lower Llagas Ck Watershed Project		1,566,300				1,566,300
Public Law 566 (Upper)			39,722			39,722
South Zone - General			689,646			689,646
Total	$24,524	9,060,869	729,368	140,150	207,269	10,162,180

WATER UTILITY

SOURCE OF SUPPLY

RAW WATER TRANSMISSION & DISTRIBUTION

WATER TREATMENT

TREATED WATER TRANSMISSION & DISTRIBUTION

ADMINISTRATION AND GENERAL

BACKGROUND INFORMATION

The Water Utility is operated on an Enterprise Fund Basis. Revenue is derived from water sales, groundwater extraction charges and from ad valorem taxes allocated by the County Controller as provided by law.

The major sources of water revenue are from charges levied on all groundwater extracted within Zone W-2 of the District and from the sale of approximately 83,700 acre-feet of treated water. Groundwater production in Zone W-2, for this fiscal year is estimated to be 147,000 acre-feet for nonagricultural purposes and 6,000 acre-feet for use by agriculture. Groundwater production in Zone W-5 for this fiscal year is estimated to be 17,000 acre-feet and non-agricultural production approximately 14,000 acre-feet for agricultural use. Other water charges will be made for surface water diversions and the sales of reclaimed water in the Gilroy area approximating 100 acre-feet.

A brief description of each of the water zones within the Water Utility Enterprise follows:

Zone W-1 Zone W-1 encompasses the groundwater basin in Northern Santa Clara County and small peripheral areas outside of the groundwater basin within the retail service areas of privately owned public utilities and municipal water departments using water pumped from the groundwater basin. It is the area which provides the security for general obligation bonds. The zone comprises an area of approximately 290 square miles and includes all or portions of thirteen of the County's fifteen cities, plus some unincorporated territory.

Zone W-2 This zone encompasses the Santa Clara Valley Groundwater Basin north of Metcalf Road. It includes those groundwater producing facilities that benefit from the recharge of the basin with local and imported water. A charge is levied for all groundwater extracted within this zone.

Zone W-3 This zone encompasses the land within the Coyote and Llagas Groundwater Basins in the area from Metcalf Road on the north to just south of the City of Morgan Hill. Part of the Countywide property tax within the one percent limit is allocated to this zone. Sub-zones identified as W-3.1, 3.2, 3.3 and 3.5 are local areas within the total Zone W-3 and groundwater charges are levied for water extracted within these areas.

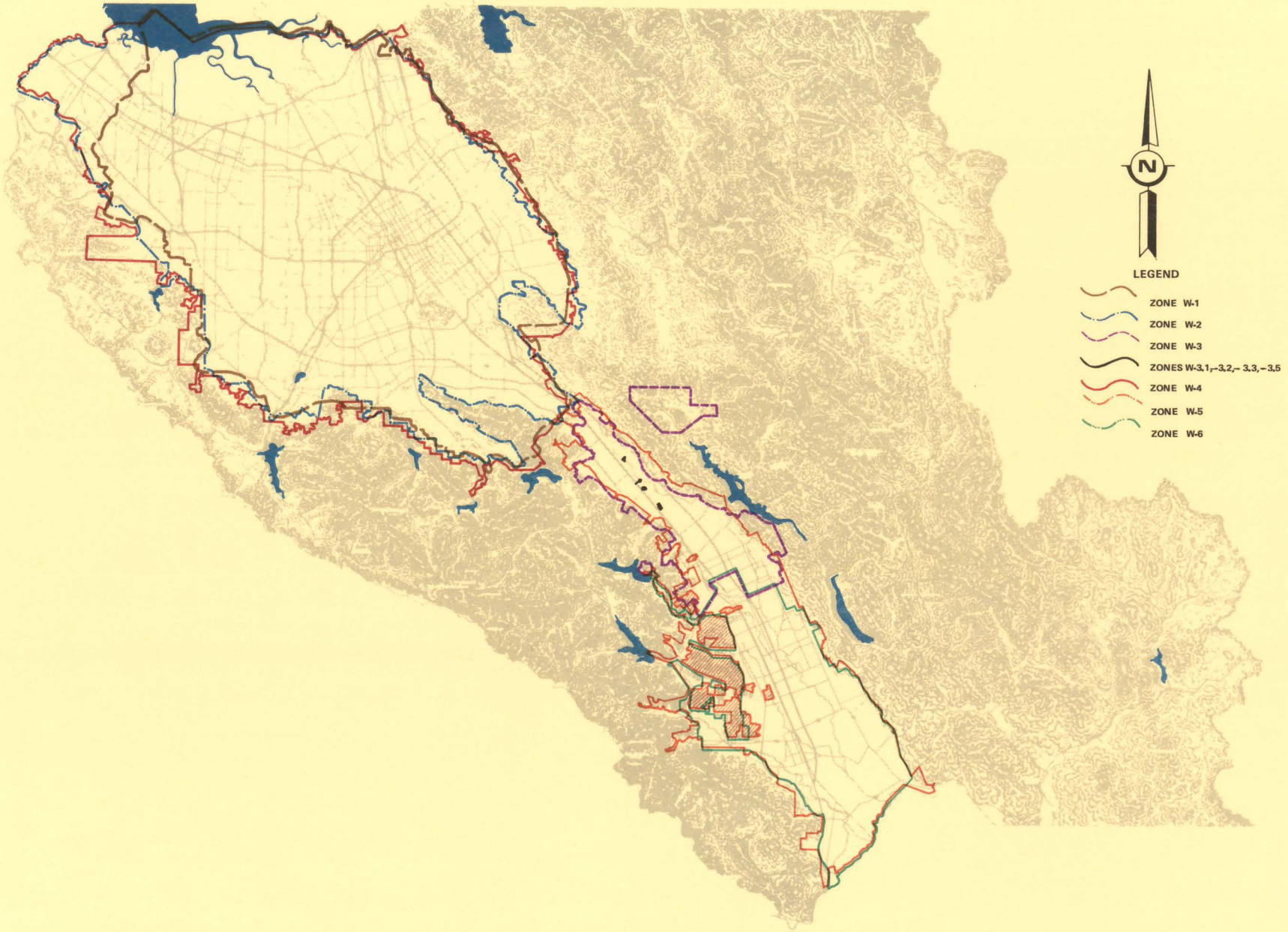
Zone W-4 This zone contains all of Zone W-2 and lands outside Zone W-2 that use or otherwise benefit from locally conserved water and from the importation and distribution of water from the South Bay Aqueduct. This area also receives an allocation of the Countywide tax levied which is used to pay for the cost of water to recover the accumulated overdraft, control land surface subsidence and sustain the emergency supply of water.

Zone W-5 This zone is comprised of the entire groundwater basin from Metcalf Road south to the Pajaro River. For the year 1987-88 a groundwater extraction charge will be levied and the requirement for filing production statements will be initiated.

Zone W-6 This zone is comprised of the area of the Gavilan Water Conservation District and is within Zone W-5.

Under uniform accounting practices adopted by the State, it is necessary to divide expenditures of the Water Utility Enterprise into various categories called cost centers. These cost centers are Source of Supply, Raw Water Transmission and Distribution, Water Treatment, Treated Water Transmission and Distribution, and Administration and General. Appropriations for each of these cost centers are shown separately.

WATER UTILITY ZONES



REVENUE SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Balance Beginning of Year	$130,842,714	62,391,794	64,000,000	64,023,122
Revenue Sources				
Property Taxes	15,479,437	14,648,773	15,164,646	14,869,318
Interest	10,327,809	6,677,426	8,511,700	8,511,700
Agreements and Advances	360,537	1,290,115	1,083,740	1,083,740
Groundwater Charges	15,738,073	17,055,566	15,330,231	15,330,231
Surface Water Charges	132,208	130,000	130,000	130,000
Reclaimed Water Sales	1,305	2,000	2,000	
Treated Water Sales	14,336,121	14,938,993	15,216,462	15,216,462
Bond Sales	402,628			
Miscellaneous	1,308,384	90,000	18,000	18,000
Total Revenue Sources	58,086,502	54,832,873	55,456,779	55,159,451
Total Available	$188,929,216	117,224,667	119,456,779	119,182,573

OUTLAY SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Planning	$ 1,087,517	2,184,095	2,165,603	2,029,372
Construction	45,253,044	31,413,244	28,218,441	28,667,331
Maintenance	3,613,045	5,259,694	6,313,814	6,258,435
Operations	14,404,777	19,346,729	24,243,164	24,142,308
Administration	1,589,291	1,715,792	2,126,664	2,160,762
Total Program Outlay	65,947,674	59,919,554	63,067,686	63,258,208
Debt Service	11,965,201	11,076,362	11,185,947	11,185,947
Replacement Appropriation		3,500,000	3,500,000	3,500,000
In-County Distribution System Approp		41,728,751	40,703,146	40,238,418
Contingency Appropriation		1,000,000	1,000,000	1,000,000
Total Appropriated	77,912,875	117,224,667	119,456,779	119,182,573
Balance End of Year	111,016,341			
Total	$188,929,216	117,224,667	119,456,779	119,182,573

COST CENTER EXPENDITURE SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Source of Supply	$11,287,960	16,583,047	19,485,980	19,328,997
Raw Water T&D	5,133,615	16,722,376	16,113,935	16,404,730
Water Treatment	30,771,350	10,037,700	11,257,369	11,294,833
Treated Water T&D	15,517,383	10,845,173	11,544,478	11,533,115
Administration & General	3,237,366	5,731,258	4,665,924	4,696,533
Total	$65,947,674	59,919,554	63,067,686	63,258,208

PROGRAM EXPENDITURE SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Planning	$ 1,087,517	2,184,095	2,165,603	2,029,372
Construction	45,253,044	31,413,244	28,218,441	28,667,331
Maintenance	3,613,045	5,259,694	6,313,814	6,258,435
Operations	14,404,777	19,346,729	24,243,164	24,142,308
Administration	1,589,291	1,715,792	2,126,664	2,160,762
	$65,947,674	59,919,554	63,067,686	63,258,208

WATER UTILITY RATE SUMMARY

	1985-86	1986-87	1987-88	1988-89
Groundwater				
Zone W-2				
Agricultural	22.50	23.75	25.00	25.00
Nonagricultural	90.00	95.00	100.00	100.00
Zone W-5				
Agricultural			5.50	6.50
Nonagricultural			22.00	26.00
Treated Water				
Contract (Scheduled)	170.00	180.00	190.00	195.00
Non-Contract	118.00	123.00	128.00	128.00
Untreated Water				
Zone W-2				
Agricultural	22.50	23.75	25.00	25.00
Nonagricultural	90.00	95.00	100.00	100.00
Zone W-5				
Argicultural			5.50	6.50
Nonagricultural			22.00	26.00
Water Master	9.00	9.00	9.50	10.00
Power (Evergreen System)	35.00	37.00	37.00	37.00
Power (Half Road/Coyote Madrone System)	4.00	4.00	4.00	6.50
Capital Cost (Half Road/Coyote Madrone System)	2.75	2.75	2.75	2.75
Minimum Charge				
Zone W-2	63.00	66.00	70.00	85.00
Zone W-5			23.00	29.50
Reclaimed Water				
Palo Alto Reclamation Facility				
Agricultural	35.50			
Non-Agricultural	103.00			
Gilroy Reclamation Facility				
Agricultural	20.00	20.00	20.00	20.00
Nonagricultural	80.00	80.00	80.00	80.00

S1B6591 (05/15/88)

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Water Fund				
Secured	$ 2,902,949	3,234,565	3,765,113	3,500,294
Unsecured	485,351	529,264	501,513	585,517
Delinquent	231,976	154,998	303,196	303,196
Supplemental (Subventions)	284,852	225,879	247,324	247,713
Total	3,905,128	4,144,706	4,817,146	4,636,720
Zone W-3				
Secured	90,687	95,301	116,699	112,821
Unsecured	16,190	17,656	17,413	21,097
Delinquent	7,644	2,100	10,432	10,432
Supplemental (Subventions)	9,560	7,365	8,447	8,617
Total	124,081	122,422	152,991	152,967
Zone W-4				
Secured	704,457	785,937	918,281	848,896
Unsecured	118,321	129,026	122,160	142,501
Delinquent	56,347	39,000	74,204	74,204
Supplemental (Subventions)	69,358	55,324	60,248	60,322
Total	948,483	1,009,287	1,174,893	1,125,923
Gavilan Water Conservation Dist.		*		
Secured			82,972	91,838
Unsecured			11,473	13,703
Delinquent			4,500	4,500
Supplemental (Subventions)			4,200	6,667
Total			103,145	116,708
G.W.C.D. - Debt Services		*		
Secured			91,301	101,639
Unsecured			293	57
Delinquent			11,500	11,500
Supplemental (Subventions)			7,856	7,856
Total			110,950	121,052

* The County Controller's Office estimated the following tax revenues for fiscal year 1987-88:

Operation Fund	$78,250
Debt Service Fund	$80,071

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
State Water Project				
Secured	7,278,610	6,204,650	5,895,546	5,877,859
Unsecured	290,850	320,553	294,627	227,933
Delinquent	417,205	335,000	675,397	675,397
Supplemental (Subventions)	450,892	357,500	339,430	339,430
Total	8,437,557	7,217,703	7,205,000	7,120,619
Debt Service W-1				
Secured	1,744,677	1,847,760	1,334,354	1,330,351
Unsecured	70,011	84,895	70,663	69,474
Delinquent	137,115	130,000	145,353	145,353
Supplemental (Subventions)	112,385	92,000	50,151	50,151
Total	2,064,188	2,154,655	1,600,521	1,595,329
TOTAL ALL FUNDS	$15,479,437	14,648,773	15,164,646	14,869,318



SOURCE OF SUPPLY

BACKGROUND INFORMATION

The Source of Supply Cost Center is the first of five cost centers which make up the Water Utility Enterprise. The budget for this Cost Center contains all of the anticipated expenditures relating to obtaining, producing and protecting a supply of water including all conservation, reclamation and importation costs.

SUMMARY BY PROGRAM

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Planning	$ 50,962	98,022	5,094	4,621
Construction	2,408,409	3,040,112	2,716,167	2,716,013
Maintenance	388,997	1,332,047	1,662,716	1,635,031
Operations	7,943,839	11,350,928	14,046,963	13,898,987
Administration	495,753	761,938	1,055,040	1,074,345
	$11,287,960	16,583,047	19,485,980	19,328,997

Planning Program

Funds budgeted in this program provide for a continuation of the monitoring and reporting on salt water intrusion.

Construction Program

This program provides funds for the acquisition or construction of new physical assets and substantial improvements to the life or value of existing physical assets. The budgeted amount of $2,716,013 includes the following projects:

Dams and Reservoirs - General — $21,750

This project provides funds to purchase Model 880 IRD vibration detector/microprocessor analyzer, a Hipotronics Model HV5B megohmter, Victor Journeyman oxygen-acetylene cutting equipment and a coupling alignment kit.

State Water Project — $1,650,000

This project provides funds for payment to the State of California for the capitalized portion of imported water costs for the State Water Project. The balance of the funds are budgeted in the Operations Program.

Water Conservation Project — $700

This project provides funds for the purchase of motion pictures prints describing the distribution and conservation of water.

San Felipe Division - Reach 1 — $60,000

This project provides funds for one half the cost of a base repeater station on Pacheco Peak.

San Felipe Division - Reach 3 $100,686

This project provides funds to purchase some Victor Journeyman oxygen-acetylene cutting equipment, a Wilton 3535 combination bandsaw, a Graymill parts cleaning tank, an air compressor two-stage 12090 tank, a Miller dial arc welder AC-DC 250; funds are budgeted for the other half of a base radio repeater station on Pacheco Peak and a portion of the allocated cost for a security system.

Anderson Dam and Reservoir $99,710

This project consists of revegetating a disturbed area adjacent to the newly constructed spillway and also funds to complete the construction of a multi-port inlet structure to replace the existing inadequate inlet structure.

Coyote Dam and Reservoir $671,030

This project provides funds to design a new outlet works at Coyote Reservoir to replace the existing submerged structure.

Lexington Dam and Reservoir $112,137

This project provides funds to complete the construction of a new inlet structure.

Maintenance Program

Funds are for maintenance of Reaches 1 to 3 of the San Felipe Division Project, which came on line in 1987. San Benito County will be billed for twenty two percent (22%) of the costs of Reach 1. Specific maintenance work on Dams includes the replacement of the existing actuator and 42-inch butterfly valve at the Anderson Dam outlet facility, monitoring the deformation of the Coyote Dam spillway, evaluation of seepage and landslide problems adjacent to Uvas Dam and Reservoir and Chesbro Dam and Reservoir. The latter two dams and reservoirs were brought under control of the District as the result of the merger of Gavilan Water Conservation District in 1987. It also includes updating as-built drawings and other maintenance requirements within the Cost Center.

Operations Program

The funds budgeted in this program are for Land Use Review, Land Ownership Management, the inspection and operation of the District's dams and reservoirs, operating the San Felipe Division Project, the operation of the water reclamation facility at Gilroy, monitoring wells within the County and sealing, if necessary, and the purchase of water from the State Water Project. The estimated cost to purchase water in 1988-89 is about $11,050,000 - $7,250,000 from the State of California and $3,800,000 from the Bureau of Reclamation.

Administration Program

Projects in this program are generally the same as those for the preceding year. Significant differences include the deletion of the Water Reclamation Project - Palo Alto and the addition of staff time to convert the Rights of Way records of the Uvas and Chesbro Dams and Reservoirs into the records of our District.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM					Project Totals
	Planning	Construction	Maintenance	Operations	Administration	
Land Use Review	$			23,074		23,074
Technical Services				2,937		2,937
Saltwater Intrusion Study	4,621					4,621
Risk Management					44,000	44,000
Cost Center Support Project					16,329	16,329
Dams & Reservoirs - General		21,750	20,298			42,048
Water Reclamation Fac. - Gilroy				48,354	62,500	110,854
Water Rights					57,271	57,271
State Water Project		1,650,000		7,250,000	246,629	9,146,629
Federal Water Project					148,640	148,640
Water Conservation Project		700			170,940	171,640
Hetch Hetchy Water Project					7,892	7,892
San Felipe Division - Reach 1		60,000	342,647	534,771	102,830	1,040,248
San Felipe Division - Reach 2			44,992	62,673	50,000	157,665
San Felipe Division - Reach 3		100,686	316,154	4,157,226	142,835	4,716,901
Water Quality Control				1,532,255		1,532,255
Source of Supply - General			501,476	287,697		789,173
As-Built Drawings			25,271			25,271
Anderson Dam & Reservoir		99,710	107,558			207,268
Coyote Dam & Reservoir		671,030	36,615			707,645
Lexington Dam & Reservoir		112,137				112,137
Uvas Dam & Reservoir			105,510		13,056	118,566
Chesbro Dam & Reservoir			134,510		11,423	145,933
Total	$ 4,621	2,716,013	1,635,031	13,898,987	1,074,345	19,328,997

BACKGROUND INFORMATION

The Raw Water Transmission and Distribution Cost Center is the second of five cost centers within the Water Utility Enterprise. This Cost Center contains all expenditures relating to the distribution of raw water. The distribution system consists of pipelines, canals and percolation ponds and includes the use of creek systems.

SUMMARY BY PROGRAM

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Planning	$ 53,820	152,668	424,830	271,632
Construction	2,181,008	13,599,080	11,853,479	12,309,355
Maintenance	1,366,919	1,465,167	1,636,917	1,627,894
Operations	1,498,777	1,468,094	2,120,733	2,102,963
Administration	33,091	37,367	77,976	92,886
	$5,133,615	16,722,376	16,113,935	16,404,730

Planning Program

Funds budgeted in this program are for various analyses and planning reports related to the distribution of raw water. The $271,632 budgeted amount reflects a $118,964 increase over the preceding year. Planning projects include:

Evergreen Distribution System — $136,193

This project provides funds to abandon this project as well as the Coyote Canal Extension and the Evergreen Pumping Plant after the Snell Pipeline is completed and able to deliver an alternate water supply to the remaining agricultural users.

Vasona Distribution System — $51,292

Funds are budgeted to prepare an Engineer's Report and Environmental documents to abandon this project.

Maple Avenue Recharge Facility — $84,147

This project provides funds to prepare an engineer's report and environmental assessment for the construction of Mape Avenue Pipeline, Madrone-Llagas Pipeline, Maple Avenue Pond #1 and Maple Avenue Pond #2.



RAW WATER TRANSMISSION & DISTRIBUTION

This program provides for the acquisition or construction of new physical assets and substantial improvement to the life or value of existing physical assets. The budgeted amount of $12,309,355 includes the following projects:

Facility Maintenance Standard Allocated $155,795

Please see explanation on Page 4.

Raw Water Distribution - General $489,651

This project provides for the design and construction of permanent, removable structures that would take the place of gravel percolation dams in creek channels.

It also provides funds to purchase a valve for the Page Turnout, a sleeve valve for the Alamitos Turnout, a coupling alignment kit, two 300 gallon poly tanks and high volume dewatering pumps.

Central Pipeline $382,435

This project will provide funds to install corrosion control rectifiers in the Central Pipeline.

Vasona Pump Station $89,759

This project provides funds to review fabrication drawings and inspect for the modifications to the meter test facility.

Almaden Valley Pipeline $268,952

Funds are requested in this project to acquire land and perform cathodic protection on this project. Also, installation of a telemetry cable will be completed.

Calero Pipeline $7,234,707

This project will provide funds for design and construction of a pipeline to extend the terminus of the Cross Valley Pipeline to the Almaden Valley Pipeline near the base of Calero Dam.

Control System Raw Water $3,334,157

This project will provide for the replacement and expansion of the raw water distribution system controls to interface to the Federal Water Project. Design began in 1987-88 and installation contract will be awarded in 1988-89.

Coyote-Alamitos Canal $162,001

This project provides funds to complete the detail design for abandonment of this project.

Kirk Distribution System $21,643

This project provides funds for a feasibility study and design of a replacement polymer feed system.

Main Avenue Percolation System $88,289

This project provides funds to complete construction of the turnout which will provide raw water from the Santa Clara Conduit to the Main Avenue Recharge Facility, Coyote Madrone Channel and the Half Road Lateral.

Page Percolation System $69,994

This scope provides funds to investigate a site adjacent to the present system to determine the recharge potential, if the other two ponds are sold.

Santa Teresa Force Main $11,972

This project provides funds for completion of construction and contract administration of the project, which is the raw water connection between the Almaden Valley Pipeline and the Santa Teresa Treatment Plant.

Maintenance Program

Funds budgeted in this program reflect a $162,727 increase compared to the preceding year. It includes funds for minor modifications to the Vasona Pump Station, routine maintenance in the cost center and continued updating of "as-built" drawings.

Operations Program

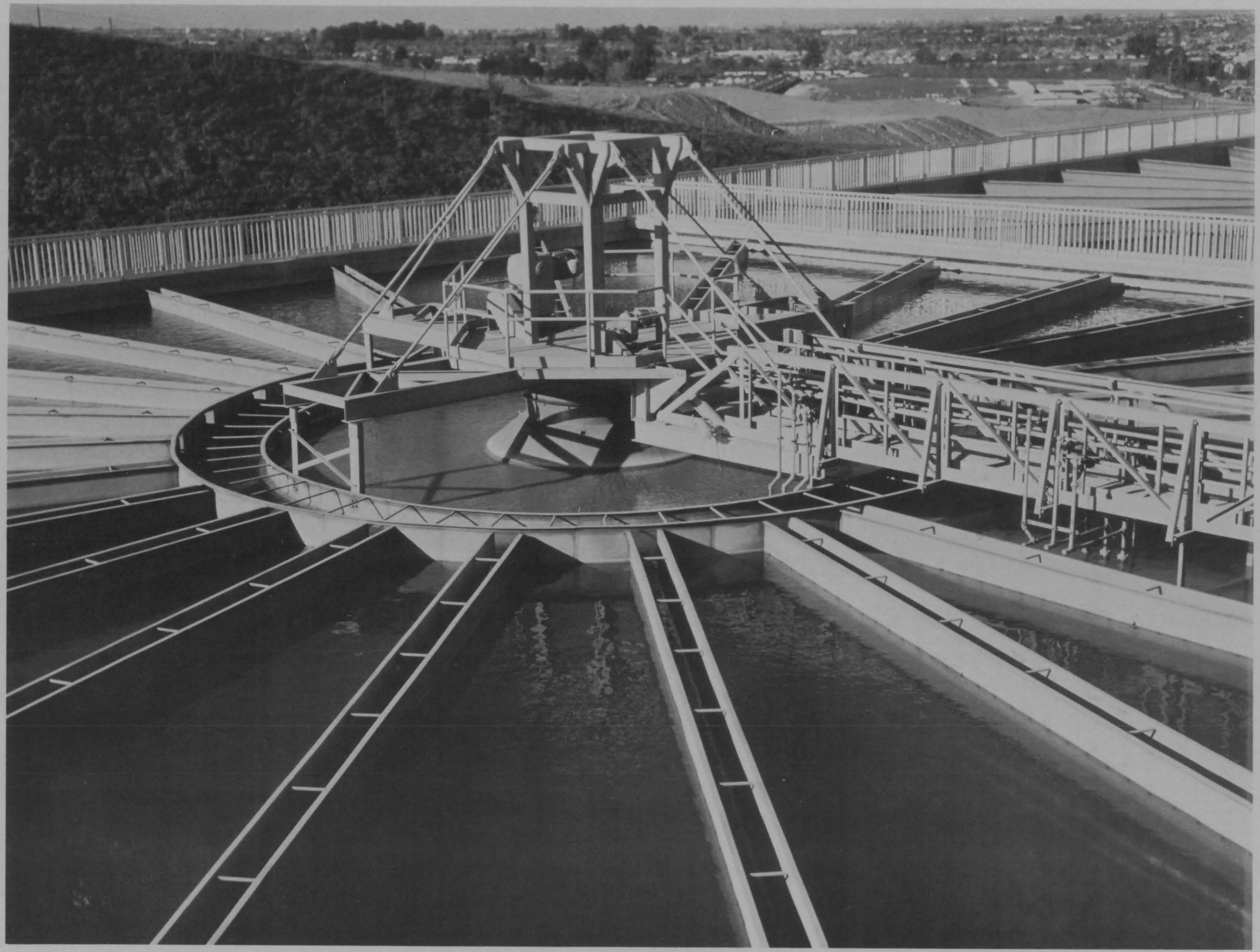
Funds budgeted in this program reflect a $635,000 increase compared to the preceding year. The funds provide for routine operation of the Raw Water Distribution System, Land Use Review, Land Ownership Management. Also included is an ongoing evaluation of ways to improve the performance of existing percolation facilities. The increase is due to significant additional effort to be used to improve the performance of existing percolation facilities, including installation of instrumentation.

Administration Program

This program includes Insurance and Cost Center Support Projects.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM					
	Planning	Construction	Maintenance	Operations	Administration	Project Totals
Land Use Review	$			46,529		46,529
Technical Services				5,446		5,446
Risk Management					27,000	27,000
Cost Center Support Project					65,886	65,886
Facility Maintenance Std. Alloc.		645,446		478,672		1,124,118
Central Pipeline		382,435				382,435
Vasona Pump Station		89,759	18,944			108,703
Almaden Valley Pipeline		268,952				268,952
Calero Pipeline		7,234,707				7,234,707
Raw Water Control System		3,334,157				3,334,157
Coyote-Alamitos Canal		162,001				162,001
Evergreen Distribution System	136,193					136,193
Kirk Distribution System		21,643				21,643
Main Avenue Percolation System		88,289				88,289
Page Percolation System		69,994				69,994
Vasona Distribution System	51,292					51,292
Raw Water T&D-General			1,583,679	1,572,316		3,155,995
As-Built Drawings			25,271			25,271
Santa Teresa Force Main		11,972				11,972
Maple Ave Recharge Facility	84,147					84,147
Total	$271,632	12,309,355	1,627,894	2,102,963	92,886	16,404,730



BACKGROUND INFORMATION

The Water Treatment Cost Center is the third of five cost centers in the Water Utility Enterprise. This Cost Center contains all expenditures associated with the treatment of water at the Rinconada Water Treatment Plant, the Penitencia Water Treatment Plant and the Santa Teresa Water Treatment Plant.

SUMMARY BY PROGRAM

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Planning	$ 34,685	131,372	253,289	249,470
Construction	25,389,143	2,949,563	3,053,893	3,048,244
Maintenance	1,609,497	2,005,839	2,527,739	2,518,091
Operations	3,663,425	4,876,326	5,330,848	5,387,428
Administration	74,600	74,600	91,600	91,600
Total	$30,771,350	10,037,700	11,257,369	11,294,833

Planning Program

This program provides funds for one study - Use of Ozone.

Study On Use Of Ozone — $249,470

It continues the examination of alternative means of controlling THM formations using ozone technology.

Construction Program

This program provides funds for the acquisition of equipment, completion of construction of a new treatment plant and facilities to dewater sludge at the existing two treatment plants. The amount budgeted is $98,681 more than the preceding year. The program includes the following projects:

Facility Maintenance Standard - Allocated — $389,503

Please see explanation on page 4.

Water Treatment - General — $94,950

This project provides funds to purchase a combination Delta Belt/Disk sander, an H. P. frequency counter, a Tektronic Oscilloscope, shelving, a motor driven cart, a Clark fork lift truck, a streaming curren detector, explosion proof refrigerator (for chemicals), a toxic fume hood, a software package for the laboratory PC, an ion chromotography data station and Dionex Auto Ion, an auto sampler for gas chromotograph, a data handling system for the gas chromotograph and a backup printer.

Penitencia Water Treatment Plant $340,206

This provides provides funds to complete the installation of equipment to mechanically dewater sludge, to design and construct new filter backwash consoles for all six filters and the design and construction of standpipe modifications to the backwash system.

Santa Teresa Water Treatment Plant $1,477,341

This project provides funds for contract administration to complete the treatment plant construction.

Rinconada Water Treatment Plant $604,164

This project provides funds for contract administration to complete the installation of new upgraded chemical feed systems to purchase and install equipment to mechanically dewater sludge, design and replacement of the splitter walls and the design and installation of a system to control chlorine spills.

Control System Upgrade $8,732

This project provides funds to complete design and perform assembly and installation of system upgrades for both the Rinconada Plant and the treated water transmission and delivery system. Seventy percent (70%) of the total cost is allocated to this cost center.

District Laboratory Expansion $133,348

This project provides funds to analyze the District's present laboratory needs and future requirements.

Maintenance Program

Funds budgeted in this program provide for normal maintenance requirements within the Cost Center. The budget of $2,518,091 is an increase of $512,252. The increase includes one-time start-up charges for the new Santa Teresa Water Treatment Plant. It also provides funds to make the necessary modifications at both of the existing plants so they will function during and after a moderate to major local earthquake. There will be a continued evaluation of landslide activity at Penitencia, relocation of the carbon feed system painting flocculator no. 4 at Rinconada and updating of the as-built drawings.

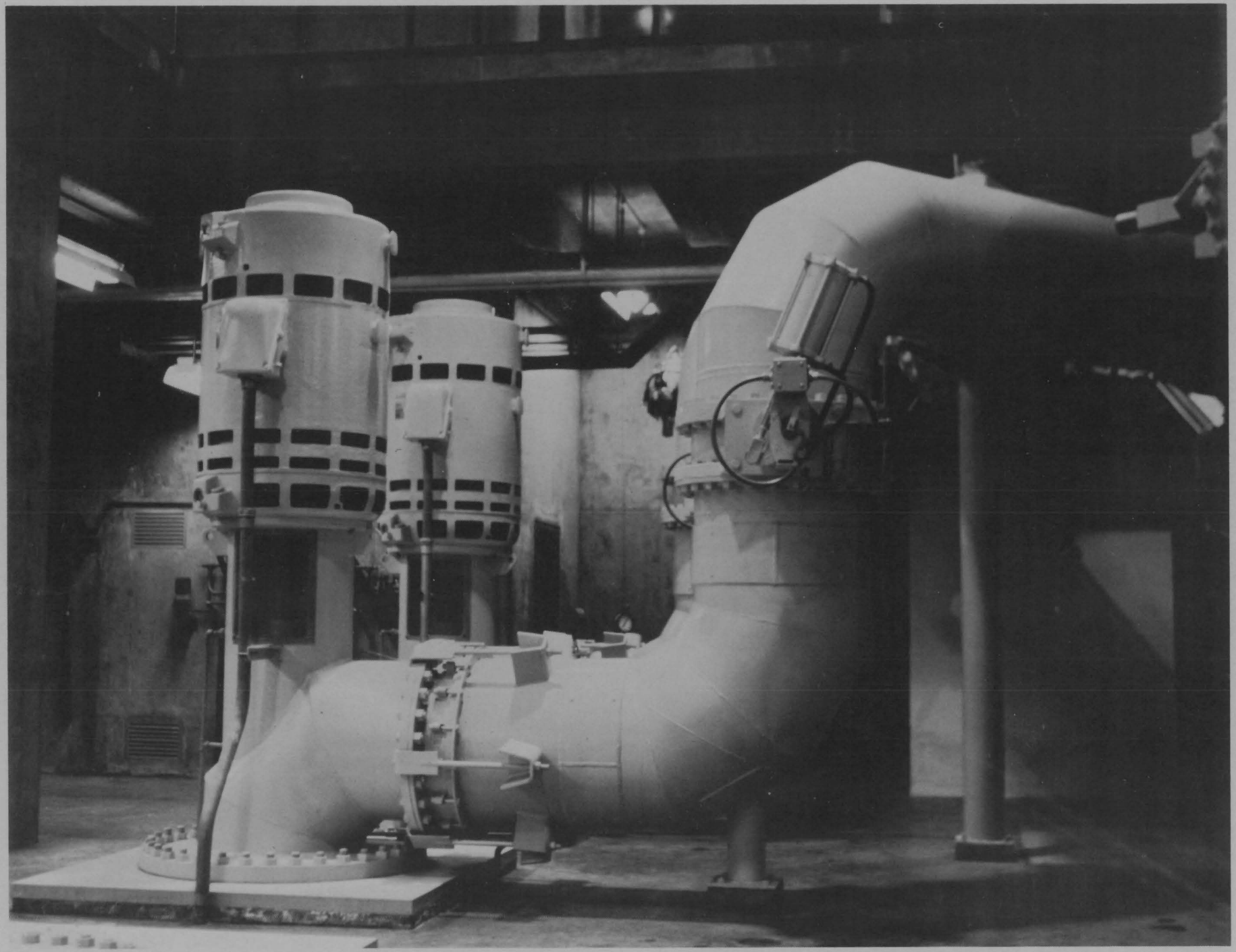
Operations Program

The $5,387,428 requested for this program provides funds for the routine operation of the treatment plants, including start-up of the Santa Teresa Water Treatment Plant, and operation of the District Laboratory.

Administration Program

This program contains funds only for the District's prorata share of liability insurance.

Project	PROGRAM					Project Totals
	Planning	Construction	Maintenance	Operations	Administration	
Study on Use of Ozone	$249,470					249,470
Risk Management					74,600	74,600
Cost Center Support Project					17,000	17,000
Facility Maintenance Std. Allocated		484,453				484,453
Penitencia Water Treatment Plant		340,206	291,567			631,773
Santa Teresa Water Treatment Plant		1,477,341				1,477,341
Rinconada Water Treatment Plant		604,164	247,985			852,149
Control System Upgrade		8,732				8,732
District Laboratory Expansion		133,348		891,906		1,025,254
Water Treatment - General			1,953,268	4,495,522		6,448,790
As-Built Drawings			25,271			25,271
Total	$249,470	3,048,244	2,518,091	5,387,428	91,600	11,294,833



TREATED WATER TRANSMISSION & DISTRIBUTION

BACKGROUND INFORMATION

The Treated Water Transmission and Distribution Cost Center is the fourth of five cost centers within the Water Utility Enterprise. This Cost Center contains all expenditures relating to the distribution of treated water to water utilities and includes costs associated with the treated water reservoirs, pumping systems, pipelines and turnouts.

SUMMARY BY PROGRAM

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Planning	$ 113,858	126,194	65,961	65,882
Construction	14,799,270	9,798,136	10,402,861	10,401,678
Maintenance	227,470	425,926	450,630	441,607
Operations	350,292	466,941	597,394	596,316
Administration	26,494	27,976	27,632	27,632
	$15,517,384	10,845,173	11,544,478	11,533,115

Planning Program

Milpitas Pipeline — $43,155

This provides funds to complete an Engineer's Report and an Environmental Impact Report for this treated water pipeline.

Treated Water - General — $22,727

This scope includes a review of the water metering system at District turnouts for reliability and flexibility.

Construction Program

This program provides for the acquisition or construction of new physical assets and substantial improvement to the life or value of existing physical assets. The budgeted amount of $10,401,678 includes the following projects:

Facility Maintenance Standards - Allocated — $39,020

Please see explanation on Page 4.

Santa Teresa Tunnel — $35,307

This scope provides funds to complete the construction of the tunnel and a portion of the Snell Pipeline.

Mountain View Distributary $1,979,758

This project provides funds for the preparation of plans and specifications of a treated water pipeline that extends from the West Pipeline to the City of Mountain View.

Milpitas Pipeline $7,263,213

This project provides funds for the preparation of plans and specifications for and the construction of a treated water pipeline that extends from the Piedmont Valve Yard to the Milpitas City limits near Landess Avenue.

East Pipeline $411,836

This project provides funds for the design of a cathodic protection system on the pipeline. Corrosion survey data indicates that a rectifier system will be necessary in the future.

Control System Upgrade $3,749

This project provides funds to complete design and perform assembly and installation of system upgrades for both the Rinconada Water Treatment Plant and the treated water transmission and delivery system. Thirty percent (30%) of the total cost is allocated to this cost center.

Rinconada Reservoir $348,216

This project provides funds for design and replacement of the liner in the reservoir.

Greystone Pump Station $6,298

This is a reimburseable project for the benefit of the San Jose Water Company. It will be completed on the Santa Teresa Water Treatment Plant site.

Greystone Pipeline $5,987

This scope provides funds to complete construction, including administration and inspection, of the project. It will be paid for by the San Jose Water Company.

Snell Pipeline $308,294

This provides funds for coordinating the construction activities, contract administration and inspection for Stage II of the Snell Pipeline. This pipeline will convey treated water from the Santa Teresa Water Treatment Plant and Tunnel to the District's East Pipeline.

Maintenance Program

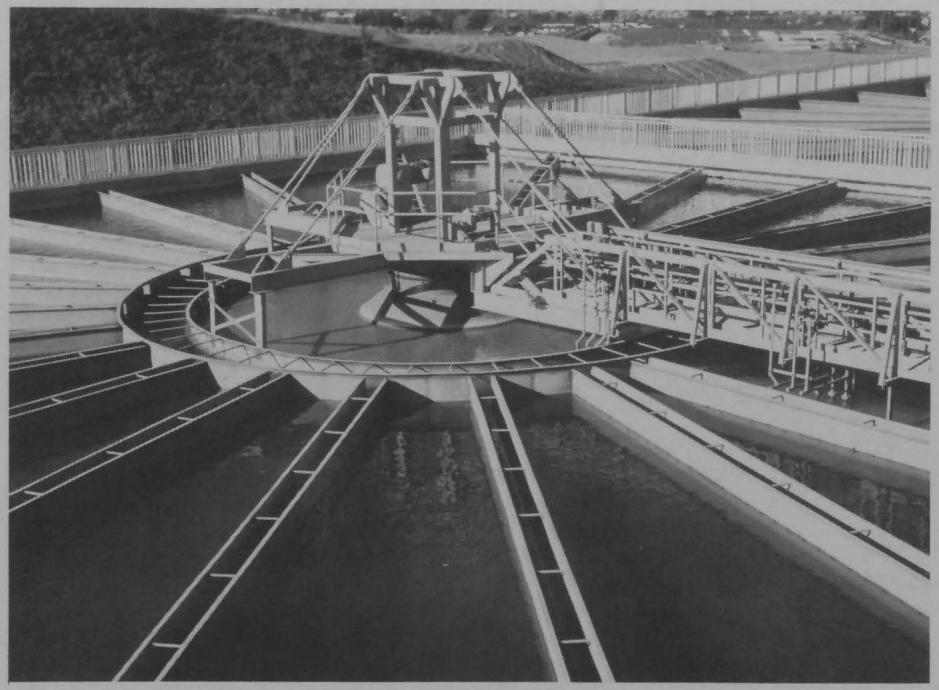
Funds budgeted for this program provide for usual maintenance requirements within the Cost Center. It also provides funds to continue the updating of "as-built drawings".

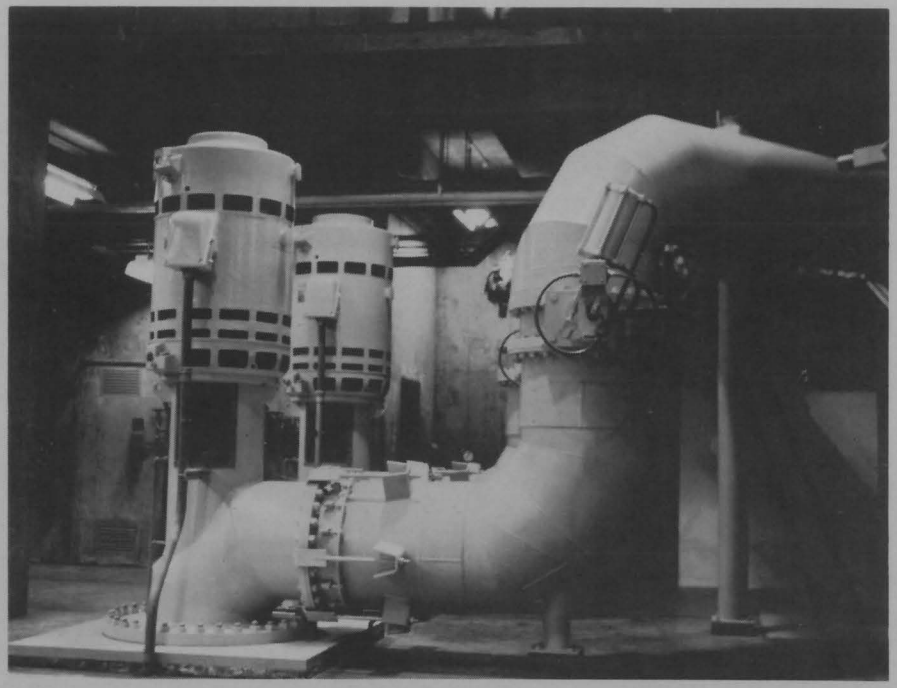
Operations Program

The funds budgeted in this program provide for routine operation of the Treated Water Distribution System. The $129,375 increase is primarily because of additional utility costs resulting from adding more transmission lines for a total of 28 miles.

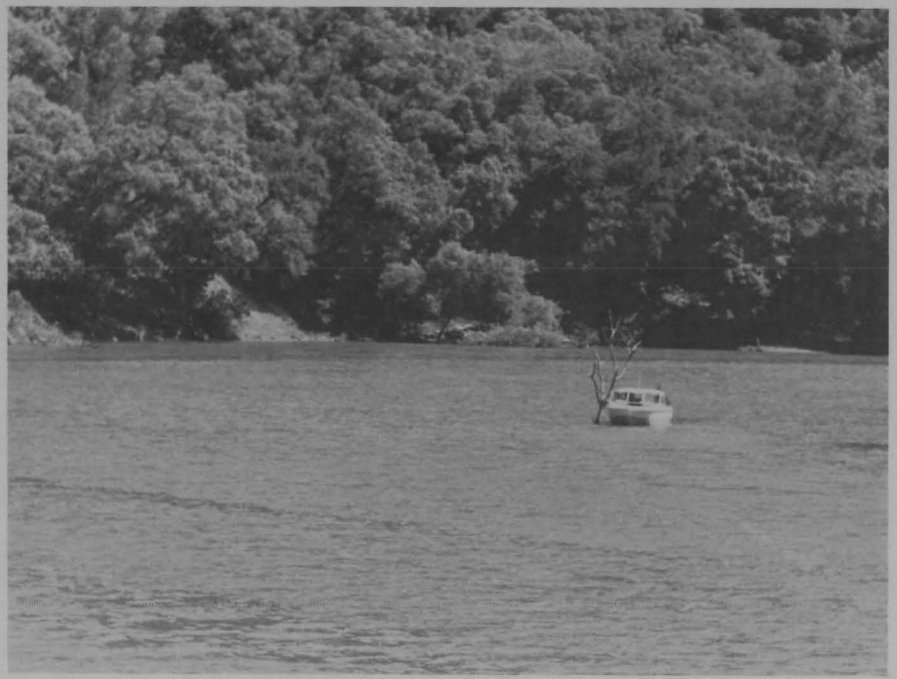
Administration Program

This program includes the Insurance and Cost Center Support Projects. The budget for this program is almost equal to that of the preceding year.









BACKGROUND INFORMATION

The Administration and General Cost Center is the fifth and final Cost Center in the Water Utility Enterprise. It contains all expenditures of an administrative nature which cannot be properly assigned to one of the other four cost centers. Work performed in this Cost Center covers items such as the collection of groundwater charges, financial and cash flow studies, annual reports and general water management planning.

SUMMARY BY PROGRAM

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Planning	$ 834,192	1,675,839	1,416,429	1,437,767
Construction	475,216	2,026,353	192,041	192,041
Maintenance	20,162	30,715	35,812	35,812
Operations	948,445	1,184,440	2,147,226	2,156,614
Administration	959,350	813,911	874,416	874,299
	$3,237,365	5,731,258	4,665,924	4,696,533

Planning Program

Funds budgeted in this program are approximately $238,000 less than the preceding year. Planning projects are:

Financial and Cash Flow Study — $178,925

This project consists of evaluating the effects on the financial position of the District's Water Utility Enterprise as a result of future expenditures for operations, maintenance and expansion. It also provides funds for the preparation of the Annual Financial Analysis of the Water Utility.

Annual Water Supply Balance — $27,481

This project provides for the continuing analysis of water conditions of the preceding year and the preparation of a report summarizing these findings. The analysis consists of an overall hydrologic balance to determine the net surplus or deficit in groundwater supply and changes in storage. Also included is information on subsidence, saltwater contamination, water quality, summaries of wastewater reclamation project operations and depth to water and groundwater contours.

Water Reclamation Studies — $1,157

This project primarily supports the District's ongoing review and evaluation of reclamation projects.

Water Resources Master Planning $545,962

This project consists of a continuing review of the projected water needs, the various sources of supply, and the optimization of the distribution of the total supply to meet both quantity and quality needs. Marketing studies of the potential for reclaimed water will be performed with special emphasis on the North San Jose and Hecker Pass areas.

Water Quality Studies $684,242

This project contains the general studies related to water quality being performed by the District. It is composed of several parts: a) short term problem related studies, b) special studies needed to enhance water quality and, c) specific studies related to protection of groundwater quality which may be jeopardized by hazardous materials contamination. Also includes liaison activities with local, state, and federal agencies, business, community, professional organizations and the public involved with water quality concerns, plus a non-point source discharge and control evaluation program.

Construction Program

This program provides for the acquisition or construction of new physical assets and substantial improvement to the life or value of existing physical assets. The budgeted amount of $192,041 includes the following projects:

Water Use Measurement $77,150

This project provides funds to purchase water meters and tubes, three well sounders, a portable generator, three pagers, two desk top calculators, six metal storage cabinets, a heavy duty flood jack, two high capacity electric heaters, a dandy lift, a vice for the drill press, a portable chopsaw, an eight-foot metal work bench, a gas cutting set and a pipe vice stand.

Anderson Hydrogeneration System $114,891

This project provides funds for coordinating the startup activities of a hydroelectric facility near Anderson Dam.

Maintenance Program

Funds budgeted in this program are for the routine maintenance of the Anderson Hydrogeneration System.

Operations Program

Funds budgeted in this program provide for field surveillance of groundwater and surface water facilities, operation of the meter test facility, and meter testing and repair activities. Funds are also included to operate the Hydrogeneration System.

This program includes Insurance, Cost Center Support, and Water Revenue Collection Projects. The amount budgeted for this fiscal year is $874,299 or a $60,388 increase compared to the preceding year. A portion of the insurance premium ($250,000) is included in this program to balance out the estimated requirement of total premiums.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM					
	Planning	Construction	Maintenance	Operations	Administration	Project Totals
Risk Management	$				250,000	250,000
Cost Center Support Project					25,757	25,757
Water Revenue Administration					598,542	598,542
Water Use Measurement		77,150		924,128		1,001,278
Financial and Cash Flow Study	178,925					178,925
Annual Water Supply Balance	27,481					27,481
Water Reclamation Studies	1,157					1,157
Water Quality Control				196,110		196,110
Groundwater Level Monitoring				112,749		112,749
Water Resources Master Planning	545,962					545,962
Water Quality Studies	684,242					684,242
Anderson Hydrogeneration System		114,891	35,812	55,546		206,249
Underground Storage Tanks				868,081		868,081
Total	$1,437,767	192,041	35,812	2,156,614	874,299	4,696,533

DISTRICT

DIRECT COSTS

GOVERNMENTAL PROGRAM

FIXED ASSETS

DISTRIBUTED EXPENSES

ADMINISTRATION PROGRAM

SERVICES AND SUPPLIES

THE DISTRICT COST CENTER

The District Cost Center Budget is presented in two parts. The first contains the budget for Directs Costs. Direct Costs consist of the Governmental Program and Fixed Assets. The District overhead rate is adjusted to balance Direct Costs with available revenue sources. The second part contains the budget for Distributed Expenses. Distributed Expenses consist of the Administration Program and Services and Supplies and are also recaptured on the overhead rate.

The District Cost Center can make loans to other cost centers with the approval of the Board of Directors. The Board authorized a $2.2 million loan to the South Zone several years ago. Future loans to the South Zone from this Cost Center are not contemplated at this time. One-half the remaining balance of the loan (estimated at $370,000 at this time) will be repaid by the South County Zone in 1988-89.

REVENUE SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Balance Beginning of Year	$4,361,425	215,381	1,600,000	2,438,441
Revenue Sources				
Property Taxes	1,311,628	1,369,535	1,651,843	1,584,735
Interest	329,408	15,077	223,100	223,100
Loan Repayment - D.W.R.		2,000,000	8,790,806	
Loan Repayment - Other		1,000,000	1,070,000	1,255,000
Cost Center Reimbursement		1,717,755	5,255,036	5,255,036
Other	133,048	40,000	35,000	35,000
Total Revenue Sources	1,774,084	6,142,367	17,025,785	8,352,871
Total Available	$6,135,509	6,357,748	18,625,785	10,791,312

OUTLAY SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Governmental Program	$ 975,576	1,639,114	1,918,654	1,661,717
Fixed Assets	2,711,105	1,450,375	2,010,045	2,017,245
Loan to Zone	1,373,285		8,790,806	
Inter Fund Loan Appropriation		3,168,259	5,806,280	7,012,350
Contingency Appropriation		100,000	100,000	100,000
Total Appropriated	5,059,966	6,357,748	18,625,785	10,791,312
Balance End of Year	1,075,543			
Total	$6,135,509	6,357,748	18,625,785	10,791,312

Projects within the Governmental Program are those which cannot be readily identified with Flood Control or Water Utility Cost Centers. They can be categorized as general type projects which support Districtwide activities. The program includes the same projects as last year with one addition, "University Liaison". A comparative summary of expenditures can be found on Exhibit 1, page 67. Projects included in the Governmental Program are:

Basic Data Collection $545,937

This project provides for the continuing collection, storage and publication of basic data such as precipitation, streamflow quantities, tide elevations, reservoir storage, evaporation and items of a similar nature. This project also provides for contract services for a hydrologic database management software package to access accumulated data.

Flood Insurance Liaison Study $38,037

This project provides for the continuing liaison with the cities and County relative to their participation in the National Flood Insurance Program and for dissemination of general information to all concerned with the program. The District works with local communities in the development of land use criteria in the floodplain areas and in the review of flood insurance rate studies.

University Liaison $27,268

This project provides funds to perform various District research and development that may be provided by local universities on an as-needed basis.

X-Valley Level Circuits $24,172

This scope provides funds to run a Cross Valley level circuit from Los Altos Foothills to Milpitas to check for subsidence.

Risk Management $221,036

This project provides the labor and the District's allocated portion of the contribution to the Risk/Insurance Service Fund.

Basic Hydrology $216,888

This is a continuing service oriented project that uses hydrologic data to develop methods, techniques, and other water related information for use in flood control and water supply activities. Funds also are included to analyze and qualify existing data.

Directors' Fees and Expenses $89,670

This project provides for the per diem fees and expenses of the District's Board of Directors.

Legal Projects $88,752

This project provides for the legal services of the District and for other legal costs which cannot be directly related to a specific scope of work in the Flood Control or the Water Utility Cost Centers.

Public Education $132,294

This project provides for a Districtwide program of public information and education. Activities include: preparation of information, displays, brochures, periodic publications for internal and external informational use, providing for tours of District facilities, conducting liaison work with film production, advertising, graphics and contract services related to the District's overall public information requirements, providing public information advice and consultation to District organizational units and to provide written and graphic communication to others.

District Headquarters and Facilities $63,190

This project provides funds for a long-range master plan for enlargement and/or relocation of the headquarters and corporation facilities of the District.

Records Management System $195,892

This project will provide labor to transfer and maintain a records management system which allows rapid retrieval of resources, cross indexing, security for valuable photos, drawing and files, and maintenance of the system.

Environmental Analysis $18,581

This project includes review and formal comment on environmental impact reports (E.I.R.'s) submitted to the District by outside agencies and general support of environmental impact report activities. These include such things as the review and preparation of District E.I.R. guidelines, E.I.R. procedures, and the administration and management tasks related to master biological and archeological contracts.

Fixed Assets

Fixed Assets purchased from the District Cost Center are used to support Districtwide activities as a whole. They are the type of expenditure that cannot be identified with or purchased from the funds of any other cost center. Proposed appropriations for fiscal year 1988-89 have increased $566,870 compared to the preceeding year. A comparative summary of expenditures can be found on Exhibit 2, page 68. Items included in Fixed Assets are:

Land $56,000

These funds will be used to buy small parcels necessary to construct streamflow stations for Basic Data gathering.

Structures $399,320

This account provides funds to provide necessary revisions to the Maintenance Office Building, some improvements to the Church Avenue Warehouse in Gilroy, sea containers for storing chemicals, improvements to the Blossom Hill Yard, installation of a new fuel island and new storage bays for existing crew trucks.

Office Equipment $96,191

Budgeted funds provides for the acquisition and/or replacement of calculators, dictaphones, copiers, plus the acquisition of a Kodak hispeed printer, a Cannon PC printer, an NB automaster loader and duplicator, a plastic binding punch, a paper drill, a padding press, a paper cutter, two scheduling board, a time stamp and a monitor/video player for safety presentations, etc.

Automotive Equipment $411,400

The budget in this account will allow the purchase of five sedans, five station wagons, a 4x4 Jeep wagon, five pickup trucks, a 20 cubic yard compactor, a one-ton crew truck with winch, a 14,000 GVW utility box equipped crew truck, a flatbed dump truck, a 14,000 GVW mechanic's truck and the upgrade of several vehicles already in the fleet.

Communications Equipment $109,450

These funds will be used to continue payment on the lease purchase agreement for an AT&T System 75 telephone and the addition of five circuit packs, sixteen mobile radios, three mobile telephones, a Fax machine, a hand held transmitter, a Merlin phone system for the new treatment plant, two voice terminals, two 800 MHZ radios, an intercom system, Motorola converta-com adaptor and three portable walkie talkie radios.

Hydrologic Equipment $39,950

These funds are for the purchase of a tuneable alert transmitter, five windshields for precipitation gages, three solar panels for alert gages, electronic gaging equipment, fifteen replacement dieblocks for ADR gages, an Albert base station upgrade and replacement sensors for USGS and the new Uvas Station.

Other Equipment $108,150

Items of equipment budgeted are: a 14 cubic foot refrigerator for the Maintenance Office Building, six timing tools for various diesel powered equipment, two oxy/acetylene cutting outfits with carts, pallet racks, shelves and flammable storage cabinets, a parts washing tank, a high transmission jack, truck-mounted utility crane, two tool boxes and tools, a remote air supplied respirator, a high amperage starting unit, two lubrication pumps, one medium duty floor jack, three Stihl bars, a vehicle spray system, four electric winches, two backup alarms for District compactors, a gas powered sweeper broom, a gas powered saw, ten steel storage shelves, four Stihl chain saws, three portable fuel tanks, a quick change bucket adaptor, steel pallet and storage shelves for valves and operators and a utility body for a Bureau supplied truck.

Office Furniture $200,885

This account provides for various desks, chairs, tables, file cabinets, and metal bookcases to replace worn out office furniture. Also included are a variety of work stations to improve badly needed work space until a master plan is approved and implemented.

Computer Equipment $595,899

The budgeted amount provides funds to purchase a Macintosh Plus computer and three disc drives, four CRT terminals, four ATP port expansion modules, an HP magnetic tape subsystem, a 571 megabyte disc drive with controller, an HP 3000 processor upgrade, two local area network units, 21 personal computers, several satellite word processing units, three new word processing work stations and related peripherals. Also included is the annual lease-purchase payment for the HP cadd system and civil work stations, two calcomp digitizing tablets, two HP e-size plotters, a central process unit and two terminals for the cadd system, three HP 9000 civil work stations, a small digitizing tablet and a one megabyte extended memory card.

EXHIBIT 1

SUMMARY OF GOVERNMENTAL PROGRAM PROJECTS

PROJECT	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Basic Data Collection	$331,205	474,318	552,356	545,937
Flood Insurance Liaison Study	43,784	40,382	38,037	38,037
University Liaison			27,268	27,268
X-Valley Level Circuits			24,172	24,172
Risk Management	220,620	257,641	221,036	221,036
Basic Hydrology	91,331	174,147	216,888	216,888
Directors' Fees and Expenses	63,368	85,400	89,670	89,670
Legal Projects	75,208	88,960	88,752	88,752
Public Education	78,577	76,631	132,438	132,294
District Headquarters and Facilities	4,861	278,786	313,522	63,190
Records Management System	56,870	132,404	195,892	195,892
Environmental Analysis	9,752	30,445	18,623	18,581
Program Total	$975,576	1,639,114	1,918,654	1,661,717

EXHIBIT 2

SUMMARY OF FIXED ASSET ACCOUNTS

ACCOUNT		Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
		$			
1200	Land		11,500	56,000	56,000
1300	Structures & Improvements	1,106,104	313,126	392,120	399,320
1401	Office Equipment	59,879	101,532	96,191	96,191
1402	Automotive Equipment	255,313	224,560	411,400	411,400
1403	Communications Equipment	459,696	86,305	109,450	109,450
1404	Hydrologic Equipment	39,548	20,025	39,950	39,950
1405	Water Measuring Equipment	52,295			
1406	Other Equipment	54,854	108,370	108,150	108,150
1407	Office Furniture	168,174	310,306	200,885	200,885
1408	Computer Equipment	515,242	274,651	595,899	595,899
Total		$2,711,105	1,450,375	2,010,045	2,017,245

Distributed Expense is an overhead cost. These expenditures are reimbursed by applying Distributed Expense as an overhead rate to all District labor charged to work performed in other cost centers. Since all costs are reimbursed, expenditures for Distributed Expense do not reduce the revenues of the District Cost Center. Government Code Section 29089 titles this type of expense as Expenditure, Transfers and Reimbursements.

SUMMARY BY PROGRAM

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Administration Program	$7,889,584	9,243,326	10,242,474	10,811,651
Services and Supplies	1,859,966	2,220,165	3,161,920	3,161,920
Total Expenditures	$9,749,550	11,463,491	13,404,394	13,973,571

Administration Program

Administration Program expenditures are those which support Districtwide activities and therefore cannot be charged directly to another cost center or fund. A comparative summary of expenditures can be found on Exhibit 3, page 74. Projects included in the Administration Program for 1988-89 are:

Sick Leave, Vacation, etc. — $2,610,432

This project includes all time chargeable to Sick Leave, Industrial Accidents, Comp Time Used, Vacation, Holidays, Jury Duty, Bereavement Leave, Personal Leave, Military Leave, and approved Leave with Pay.

Ordinance Administration — $13,835

This project provides for labor necessary to prepare manuals, standards and design aids to assist in the enforcement and application of Ordinance 83-2. The budgeted amount also provides for investigation and resolution of violations to Ordinance 83-2 and to prepare materials to generate public awareness of potential violations.

Cost Center Support Project — $957,096

This project provides for all chargeable time to District Administrative work which cannot be directly related to Flood Control or a Water Utility Cost Center but rather has a benefit to the District as a whole. The following is a list of functions usually found within this project: Personnel Education and Training, Personnel Recruitment, Budget Preparation, Meetings, Administrative Analysis, Updating of Manuals, Personnel Safety, and Geographic Names Study.

General Services — $268,720

This project provides for District labor spent in general activities such as purchasing, reproduction and printing services, equipment and materials inventory, building maintenance administration and messenger services.

Finance Services $423,921

This project provides financial services for all areas of the District, including Flood Control Zones, Water Utility Enterprise, general governmental activities, revenue, payroll, investments, the Equipment Working Capital Fund, and the Risk/Insurance Service Fund. Budget compilation and analyses are also performed in this project.

Secretarial Services $949,619

This project provides for the secretarial and clerical services for the entire District. This includes personnel records, reception services, library services, filing, mail distribution, maintenance of minutes for committees and the Board of Directors, dictation, typing, word processing and other general secretarial services.

Management Project $527,601

This project provides for work performed by various management personnel of the District.

Data Processing - Engineering and Scientific $33,866

This project includes the labor for cost estimating, analysis, development, programming, testing, documentation and training to support engineering and scientific computer applications.

Data Processing - Business, Administrative and Commercial $227,510

This project provides for the analysis, design, programming, debugging, operations and maintenance of all commercial data processing applications that are of general benefit to the entire District.

Computer Systems Analysis $46,036

This project consists of analysis and/or programming for systems support of the District's computer configurations and of operations.

Data Processing Operations $119,939

This project provides for data processing operations required by and associated with the in-house computer facility. This includes the computer operator, data entry operations, and associated supervisory and technical support for the entire system.

District Headquarters and Facilities $245,487

This project provides for the labor of District employees required to maintain the Administration and Maintenance Headquarters buildings, the Almaden Yard, and other maintenance yard facilities.

Employee Benefits $4,387,589

This project provides for funding the employee health insurance, long-term disability, dental insurance, basic life insurance, medical insurance reimbursement, medi-care coverage, and retirement program through the Public Employees' Retirement System.

Services and Supplies

Services and Supplies purchased from the District Cost Center are used to support Districtwide activities as a whole. They are of the type that cannot be identified with or purchased directly from funds of any other cost center. The costs of Services and Supplies are, however, recovered as applied overhead. A comparative summary of expenditures can be found on Exhibit 4, page 75. Items included in Services and Supplies for 1988-89 are:

Communications $107,780

This account provides for all telephone service at the Almaden Complex and the installation of telephone cabling to connect computer terminals and telemetry equipment. Also included is a nominal amount to relocate existing outlets resulting from organization changes.

Insurance - Workers' Compensation $322,482

This account includes premiums for Workers' Compensation Insurance. The experience rating modification is set at 78 percent of premium computed at basic or scheduled levels.

Insurance - Other $12,000

This account includes premiums for property insurance for Administration Headquarters and Maintenance Buildings and contents, miscellaneous tools, and non-owned aircraft insurance.

Unemployment Insurance $6,000

This account provides for the cost of unemployment insurance, including administrative services.

Maintenance Services $529,066

This account provides for the contractural agreements and services required for drafting and survey equipment maintenance, maintenance of audio-visual equipment, mobile radio equipment, janitorial services, fire extinguisher and alarm service, pest control service, elevator maintenance, furniture refurbishing, office and copying machine maintenance, air-conditioning and heating maintenance, alterations to the Administration Building, maintenance of the Burroughs computer equipment, contract maintenance of building and grounds, replacement of redwood facility signs and annual iniform maintenance and start up costs. This account does not include time spent by District employees.

Materials and Supplies $166,890

This account includes funding for supplies for data entry equipment, lumber, paint, steel pipe, welding supplies, masonry supplies, field survey materials and maintenance requirements for maintaining and alterations to the Administration and Maintenance Headquarters, and the Almaden Yard.

Memberships $19,733

This account includes funding to provide for various professional and technical memberships in associations which relate to the functions of the District.

Office Expense - General Supplies $93,970

This account includes drafting supplies, notebooks, binders, pencils, graph paper, tab cards, labels, library supplies, computer paper, computer diskettes, drafting supplies, printer ribbons, and other supplies of a general nature.

Office Expense - Reproduction Supplies $33,461

This account includes paper and operating supplies for the various copy machines, bindery supplies, and supplies used for the blueprint machine.

Office Expense - Printing and Binding $64,400

This account provides for outside printing of personnel announcements and brochures; budget divider pages; general business forms, such as letterhead, envelopes, business cards, purchase orders, and requisitions necessary for operation of the District, payroll and general fund checks; W-2 forms; map reproduction; and general printing and binding that cannot be performed by District facilities.

Office Expense - Postage $61,200

This account provides funding for metered mail, miscellaneous postage and Express parcel service.

Contract Services - Auditing $20,000

This account provides funds for a professional review of the accounting systems conversion.

Contract Services - Data Processing $816,980

This account provides for computer services which cannot be supplied by the current in-house capability. Included are programming services and analysis, data entry services to provide for vacations and unusual backlogs, acquisition of software programs of a minor nature and data communications handler maintenance for software systems. An additional amount ($336,500) is included to purchase a new payroll/labor distribution system, a financial system and to provide for a consultant review of these systems.

Contract Services - Legal $250

This account covers the cost of confirmation letters to the auditors.

Contract Services - Other $272,925

Budgeted amounts provide for pre-employment physicals and placement testing, graphic arts service, claims service for unemployment compensation, microfilming, updating of the evaluation of the District's buildings and contents, security services for the Administration Building, after hours availability of District cafeteria services, microfiche services, the underground service alert program, temporary help and software consultant services. In addition, funds are also budgeted for special personnel studies and Washington, D.C. representation.

Publication Fees and Legal Notices $24,000

This account is to provide for recruitment advertising and miscellaneous legal advertising and notices.

Lease Expense $105,308

Requested funding provides for the lease of equipment to be used with the Burroughs computer system, duplicating machines, rental of equipment to be used for maintenance of the Administration and Maintenance Buildings and Grounds rental of portable sanitation facilities and the rental of office space in Gilroy and on Allencrest Drive at Almaden Expressway.

Small Tools and Instruments $48,924

This account is to provide for general small tools and instruments required by the District.

Special Expense - Education $58,500

This account provides for tuition fees, textbooks and supplies for educational courses, seminars, conferences, and training programs.

Special Expense - Other $86,051

This account provides for the acquisition of publications, library documents, and employee awards as well as for procurement of film, microfilming county records, and other photographic processing. This account also includes funds to resolve employee relations matters.

Transportation and Travel - Lodging/Meals $102,000

This account provides funding for authorized travel by the staff while on District business. The budgeted amount also includes lodging and meal expenses.

Utilities $210,000

This funding is to provide utilities at the Almaden Complex and at the Allencrest Drive office. Budgeted amounts include funding for water, gas, electricity, disposal and dump charges, standby charges, and sewer service and use charges.

EXHIBIT 3

SUMMARY OF ADMINISTRATION PROGRAM PROJECTS

PROJECT	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Sick Leave, Vacation, etc.	$1,714,380	2,269,489	2,404,875	2,610,432
Ordinance Administration	10,280	15,402	13,835	13,835
Cost Center Support Project	697,891	740,074	955,020	957,096
General Services	224,332	226,637	268,720	268,720
Finance Services	245,787	320,725	423,921	423,921
Secretarial Services	652,446	757,584	933,880	949,619
Management Project	427,856	449,593	439,754	527,601
DP - Engineering & Scientific	23,744	24,030	33,866	33,866
DP - Business Admin. and Com'l.	178,123	179,754	227,510	227,510
Computer Systems Analysis	48,486	61,366	46,036	46,036
Data Processing Operations	111,298	133,802	119,939	119,939
District Headquarters & Fac.	225,748	191,229	245,487	245,487
Employee Benefits	3,329,213	3,873,641	4,129,631	4,387,589
Total	$7,889,584	9,243,326	10,242,474	10,811,651

EXHIBIT 4

SUMMARY OF SERVICES AND SUPPLIES ACCOUNTS

ACCOUNT		Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
6100	Communication	$ 88,531	105,050	107,780	107,780
6510	Insurance-Workers' Comp.	126,837	210,000	322,482	322,482
6520	Insurance-Other		12,000	12,000	12,000
6530	Unemployment Insurance	6,064	8,500	6,000	6,000
7200	Maintenance-Services	295,707	400,081	529,066	529,066
7400	Materials and Supplies	127,951	120,190	166,890	166,890
7700	Memberships	23,151	18,790	19,733	19,733
7810	Office Expense-General Supplies	81,901	79,615	93,970	93,970
7820	Office Exp.-Repro. Supplies	34,074	26,796	33,461	33,461
7830	Office Exp.-Printing & Binding	32,176	59,550	64,400	64,400
7840	Office Expense-Postage	71,861	52,900	61,200	61,200
8020	Contract Services-Auditing		12,000	20,000	20,000
8030	Contract Services-DP	254,430	355,228	816,980	816,980
8050	Contract Services-Legal	313	125	250	250
8060	Contract Services-Other	282,327	282,100	272,925	272,925
8100	Publication Fees & Legal Notices	20,683	18,500	24,000	24,000
8420	Lease Expense-Equipment	12,941	21,900	105,308	105,308
8600	Small Tools & Instruments	34,742	35,445	48,924	48,924
8710	Special Expense-Education	36,369	65,150	58,500	58,500
8730	Special Expense-Other	82,617	77,245	86,051	86,051
9110	Trans. & Trav.-/Lodg./Meals	92,945	79,000	102,000	102,000
9300	Utilities	154,346	180,000	210,000	210,000
Total		$1,859,966	2,220,165	3,161,920	3,161,920

SERVICE FUND

EQUIPMENT WORKING CAPITAL FUND

RISK INSURANCE SERVICE FUND

Equipment Working Capital Fund

REVENUE SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Balance Beginning of Year	$1,098,345	879,945	900,000	925,096
Revenue Sources				
Equipment Rental	1,110,396	1,237,718	1,469,474	1,461,807
Interest	79,956	61,596	69,200	69,200
Sale of Equipment	24,391	22,000	37,100	37,100
Other	2,968			
Total Revenue Sources	1,217,711	1,321,314	1,575,774	1,568,107
Total Available	2,316,056	2,201,259	2,475,774	2,493,203

OUTLAY SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Operating Expenses	$ 744,984	1,044,082	1,458,177	1,458,177
Equipment Purchase	541,622	204,900	353,037	353,037
Total Expenditures	1,286,606	1,248,982	1,811,214	1,811,214
Inter-Fund Adjustment	41,074	74,745	64,527	64,527
Replacement Appropriation		827,532	550,033	567,462
Contingency Appropriation		50,000	50,000	50,000
Total Appropriated	1,327,680	2,201,259	2,475,774	2,493,203
Balance End of Year	988,376			
Total	$2,316,056	2,201,259	2,475,774	2,493,203

BACKGROUND INFORMATION

The Equipment Working Capital Fund was established for the purpose of maintaining, operating and replacing three types of mobile equipment owned by the District. Type I Equipment consists of sedans and pickup trucks, Type II Equipment consists of heavy-duty trucks and Type III Equipment consists of heavy-operating equipment such as bulldozers, draglines and other similar types of equipment used for maintenance of District projects. Class IV items include, but are not limited to jack hammers, chain saws, power drills, etc.

The Equipment Working Capital Fund is self-supporting with all replacement and maintenance costs being charged by preestablished rates to all projects in the various cost centers. The expenses of the equipment Working Capital Fund are recovered by a mileage rate charged on Type I Equipment and hourly rate charged for Types II and III Equipment.

Equipment Purchase

This Section reflects the cost of all replacement items. The budgeted amount of $353,037 provides for the replacement of the various classes of equipment shown below. The necessary funding is provided by current revenue, supplemented by amounts accumulated for the replacement of equipment items. The items listed for replacement have been selected on the basis of accumulated mileage, obsolescence and planned needs of the District.

Class I Equipment — $208,237

Class I Equipment items scheduled for replacement consist of: one full-size sedan, five compact sedans, an upgrade of one Courier pickup and a half-ton pickup, seven light utility pickups, two half ton pickups, one 3/4-ton van and one 3/4-ton pickup 4 x 4.

Class II Equipment — $30,500

Items in this class scheduled for replacement include: one spray truck.

Class III Equipment — $42,000

Items in this class scheduled for replacement include: one sludge tractor for the Rinconada Water Treatment Plant.

Class IV Equipment — $72,300

Class IV items which will need replacing are: pumps, chainsaws, weed eaters, generators and a mower.

Operating Expense

The Operating Expense Section of the Equipment Working Capital Fund provides for insurance, materials and supplies, and District labor to service and maintain all equipment items within the fund.

SUMMARY OF EQUIPMENT PURCHASE AND OPERATING EXPENSE

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Equipment Purchase				
Class I	$ 124,934	151,700	208,237	208,237
Class II	106,426	16,000	30,500	30,500
Class III	281,497		42,000	42,000
Class IV	28,765	37,200	72,300	72,300
Operating Expense	786,058	1,118,827	1,522,704	1,522,704
Total Purchase and Expense	$1,327,680	1,323,727	1,875,741	1,875,741

REVENUE SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1989-89
Balance Beginning of Year	$	1,331,127	2,500,000	2,547,949
Revenue Sources				
Contributions from Cost Centers		1,428,600	1,428,600	1,428,600
Interest		93,179	98,800	98,800
Retrospective Adj. (Gen'l Liab.)		50,000	50,000	50,000
Other Refunds (General Liab.)				
Other Revenue				
Total Revenue Sources	$	1,571,779	1,577,400	1,577,400
Total Available		2,902,906	4,077,400	4,125,349

OUTLAY SUMMARY

	Actual 1986-87	Approved 1987-88	Requested 1988-89	Final 1988-89
Insurance Prems. Gen'l Liab.	$	200,000	200,000	200,000
Insurance Prems. Prop (District)		30,000	30,000	30,000
Insurance Prems. Prop (Rental)		6,000	6,000	6,000
Insurance Prems. Other		1,200,000	1,200,000	1,200,000
Claims Settlement				
Taxes and Fees				
Self-Insurance Expenses:				
Contract Services - Legal		75,000	75,000	75,000
Contract Servies - Other		10,000	10,000	10,000
Contract Services - CL Admin/Adj.		15,000	15,000	15,000
Special Expense - Other		5,000	5,000	5,000
Total Expenditures		1,541,000	1,541,000	1,541,000
Self-Insurance Appropriation		1,351,906	2,526,400	2,574,349
Contingency Appropriation		10,000	10,000	10,000
Total Appropriated		2,902,906	4,077,400	4,125,349
Balance End of Year				
Total	$	2,902,906	4,077,400	4,125,349

BACKGROUND INFORMATION

The Risk Insurance Service Fund was established during fiscal year 1986-87 for the purpose of maintaining records relative to insurance transactions of the District. This fund consists of inter-fund transfers from other cost centers to provide the resources to operate the fund. It also includes a series of accounts which will identify the types of expenditures which are made from this fund.